



Annual Registration Statement 2023 (FORM 56-1 One Report)

RESPONSIBILITY / QUALITY / HEALTHY / WELLNESS



Shaping a sustainable future

Contents

	Page
Message from Chairman	1
Message from Managing Director	2 - 4
Section 1 Business Operation and Operating Results	
1. Organisational Structure and Operation of the Group of Companies	5 – 47
2. Risk Management	48 – 49
3. Business Sustainability Development	50 – 63
4. Management Discussion and Analysis	64 – 79
5. General Information and Other Material Facts	80 – 81
Section 2 Corporate Governance	
6. Corporate Governance Policy	82 – 98
7. Corporate Governance Structure and Material Facts Related to the Board of Directors, Committees, Executives, Employees, and Others	99 – 121
8. Report on Key Operating Results Related to Corporate Governance	122 – 154
9. Internal Control and Related Party Transactions	155 – 157
Section 3 Report and Consolidated Financial Statements	158
Annex Drink, Fruits & Vegetables packed in can, and Sauces & Seasonings Industry	

This FORM 56-1 One Report referred to the information disclosed on the Company's website www.lamsoon.co.th, which is an integral part of the FORM 56-1 One Report. The Board of Directors certifies the correctness and completeness of such referred information.

*“Always in our memory,
Mr. Whang Tar Liang,*

the remarkable founder whose vision and guidance shaped the legacy of Lam Soon (Thailand)”

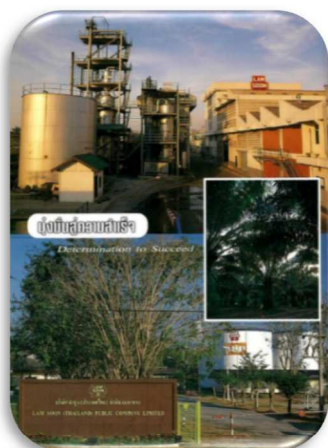
2024 marks a very special year for Lam Soon Thailand (LST) as we are celebrating our 50th anniversary, a milestone of success and pride for all of us.

LST was founded 50 years ago under the name of Bangkok Edible Oil Co., Ltd. by Mr. Whang Tar Liang, our late Chairman who passed away in August 2023, at the age of $96\frac{1}{2}$ years.

In the early 1970s, Mr. Whang pioneered the application of fractionation technology to turn refined palm oil into an affordable cooking oil for millions of households all over Southeast Asia.



After establishing oil refinery plants in Singapore and Malaysia, he decided to invest in Thailand, and this is how our refinery in Bangpoo got started. In 2003 and 2004, LST expanded further and became a major shareholder in both United Palm Oil Industry Public Company Limited (UPOIC) and Universal Food Public Company Limited (UFC).



UPOIC owns large oil palm plantation in Southern Thailand and serves as the source of raw material for LST while UFC has expanded from canned fruit and vegetable to a best-in-class coconut water sourced locally and selling globally. UFC Refresh coconut water is the No.1 brand in Singapore and in New Zealand. By using quality local ingredients, good manufacturing practices, and intelligent marketing, we seek to add value to local tropical commodity.

Despite stepping down from LST’s Board in 2015, his valuable advice and guidance aligning to the principles of good governance has continued to be practiced and influenced the Company's today success.



Mr. Whang Tar Liang believed that “No business, no matter how good the idea, can succeed in the long run without the right people.”. He was outstanding in spotting and promoting talents and inspired great loyalty. Many have dedicated their working lives to Lam Soon because they are recognised and shared his values - modesty, hard work, and creating an environment where everyone is treated with mutual respect and dignity.

Our deepest condolences go to the loss of Mr. Whang Tar Liang. All of us are very proud and honoured to be part of the 50-year legacy he left behind. Mr. Whang Tar Liang’s vision and kindness have left an indelible mark for each of us. May his spirit, dedication, the trust instilled in employees, and the impact of the advice continue to inspire and guide everyone here in Lam Soon’s family.

2022 was an unusually volatile year for palm oil. The surge in price resulted in the gap between the highest and the lowest prices widening to 30 Baht/kg., as explained in previous year's One Report. The situation in 2023 has resumed to normal with less volatile prices. The monthly average CPO price in the Kingdom hit its highest level in April at 33.91 Baht/kg. before plunging to below 29 Baht in September, with the gap between the highest and lowest prices in 2023 was 4.93 Baht/kg.

In the first half of the year, a decline in production output was expected due to drought for a certain period from the widely foreseen phenomenon of 'Super El Niño'. In the event, however, the Kingdom's oil palm output in 2023 amounting to 18.2 million MT did not decrease much when compared with 2022. Following the same pattern as those of Indonesia and Malaysia, the outputs of which were about the similar level as 2022. The drought from El Niño is foreseen to continue to 2024 at a mild to moderate level.

The problem of global warming and climate change is becoming more severe caused by greenhouse gases. Strategic planning along with the sustainability framework (Environmental, Social and Governance or ESG) is essential to drive business with the principles of good governance to mitigate environmental issue. Recognising the importance of this matter, the Company is actively integrating ESG pillars into normal business processes. The Company in parallel focuses on efficient inventory and raw material management, posing a strong competitive advantage position going forward. Palm oil remains core for the business contributing approximately 80% of turnover, and the Company continuously carries out research and development to add value to its existing margarine and shortening categories, particularly bakery applications. Furthermore, the Company develops and improves manufacturing process by employing advanced technology to reduce energy consumption, and improve both productivity and efficiency in the production lines.

Finally, I would like to thank the Board of Directors, management and all employees for their support and dedication in well performing the duties, helping the Company to earn strong operating results of previous year and achieve its target as set. Conducting business sustainably by adhering to environmental care with social responsibility covering the respect for human rights and management under the principles of good corporate governance according to the ESG framework remain key factors in driving the Company more steadily.

On behalf of the Board of Directors, I wish to express my sincere thanks and appreciation to shareholders, customers, business partners and business alliances, and all stakeholders for rendering their full-fledged support to the Company for all these years. All of you are crucial parts of Lam Soon's leading position in the Thai palm oil business for more than 50 years. We look forward to your continued support in the future.



A handwritten signature in blue ink, appearing to be 'Thira Wipuchanin'.

Mr. Thira Wipuchanin
Chairman

Company's Performance



In 2023, the Company recorded sales revenue at 7.7 billion Baht, a decrease of 1.1 billion Baht or 12.7 % (2022 : 8.8 billion Baht); dividends received from two subsidiaries amounted to 153.9 million Baht, a decrease of 21.7 million Baht. The Company recorded profit for the year at 353.3 million Baht, an increase of 87.5 million Baht or 32.9% (2022 : 265.8 million Baht). The decrease in sales revenue was attributed to a reduction in unit selling prices following declines in the prices of main raw materials namely Crude Palm Oil and Crude Palm Kernel Oil. Amidst a stabilised pricing environment, however, the Company witnessed growth in sales volume across nearly all distribution channels. The increase in initial profit margins due to the efficient management of selling prices, compensating for the declining prices of main raw materials.

United Palm Oil Industry Public Company Limited (UPOIC), a 69.96% subsidiary of the Company, recorded a net profit of 203.5 million Baht (2022 : 317.3 million Baht) due to a decrease in average selling price per unit of CPO and CPKO by 19.2% and 31.7% respectively. Also, sales volume of CPO decreased by 28.3%. Therefore, sales revenue decreased to 1.5 billion Baht (2022 : 2.2 billion Baht)

At Universal Food Public Company Limited (UFC), a 98.85% subsidiary of the Company, sales revenues increased by 13.8% to 2.3 billion Baht (2022 : 2 billion Baht). Revenues increased mainly due to export sales, resulting in net profit rising by 55.8% to 176.1 million Baht (2022 : 113.0 million Baht).

The overall consolidated group profit for the year increased from 534.2 million Baht in 2022 to 576.5 million Baht, or an increase of 7.9%.

Production and Investment

With a commitment to raise the Company's production standard and continuous competitiveness, the Company carried out its investment project in 2023 namely; Phase I-Hydrogenation Plant and Drum Packing Line, and Phase II-Refinery to support additional production volume. The installation of this project is estimated to be completed in 2025. Other investments include the expansion of cold storage space to support increased production capacity as well as quality analysis tools in the laboratory in order for accurate checking of product quality and enhanced response time to customer needs.

In early October 2023, Trang Crushing Mill completed the replacement of Biogas power generators. Such investment will increase the income generated from electricity sales.

In 2023, UPOIC completed its investment projects namely the Palm Kernel warehouse building project in Q2, installation of separator machine in Q3, replacement of EFB press in October. All those projects can reduce production cost by improving and changing machinery to increase production efficiency. Furthermore, UPOIC continued to improve the quality control of out grower crop to increase the oil extraction rate, control the harvesting of quality palm fruit, maintain palm trees, well manage its oil palm plantations, manage costs of logistic and machinery maintenance.

UFC focuses on plant-based milk beverages such as oat milk, coconut milk, soy milk, etc. It continues to invest in new machines to improve the production efficiency and quality of products. Besides, it undertakes formulation development to support customers' requirements.



Marketing

After the pandemic, consumer behavior has clearly become more complex. It is truly an era of change.

Today people are paying more attention to health than ever before. This gives rise to consumer food trends in the Next Normal era, such as eating clean food, searching for organic food whose origin can be traced, or choosing to eat Plant Based Meat which has become even more popular. The Company is therefore offering as an alternative organic source for consumers, such as pasta and rice under the brand "Naturel", and making them available in many distribution points throughout the country.

Another aspect of the current way of life is the time spent on digital media every day. People have been learning how to use the online world to build their identity and content to the point where some have become the content creators themselves. The Company is accordingly investing in public relations in digital channels, to present benefits and application of the Company's products through the creation of interesting contents. Such contents are published on Social Media platforms i.e. Facebook, Tiktok, Youtube, etc.

The brand communication has continued at the store level throughout 2023 through In-home and Out-of-home media. To create customer engagement, "Lam Soon Bakery Workshop" events were organised in all regions and received positive feedback. The event allowed real users to experience the application of "Zest bread flour", "Golden Leaf AP Flour", "Zest butter blend", in trendy bakery recipes.

In addition, point of sales activities are continuously organised in retail outlets for all of the Company's products categories i.e discounts, tasting, free gift etc.

Sustainability and Community



Business operations continue to focus on sustainable growth along with prioritising the environment, society, and good governance. The Sustainability Committee was established to systematically formulate work plans and action plans. It is monitored through working groups, etc. at the heart of our business operations.

In terms of environmental initiatives under the Sustainability pillar, the management group and staff from Bangpoo Refinery and head office took part in a replanting project at the Division of Rest Places "Bangpoo Nature Education Center" to increase green space for the community and stop ground erosion near mangrove forests. To prevent coastal erosion and increase habitat space for wild animals living along the mangroves, management and employees of the Department of Army Quartermaster General (Bangpoo Vacation Rental) for Trang Crushing Mill planted mangrove forests at Hat Chao Mai National Park.

In term of Community activities, the Company continues to support the Sirindhorn Rajawittayalai Children's Center. Samut Prakan Province, Department of Labour Protection and Welfare. The details of the activities are as follows:

- Install additional sunshades or rain awnings around the school building by the Director General of the Department of Labor Protection and Welfare.
- We participated in National Labour Day 2023 with the Office of Labour Protection and Welfare, Samut Prakan Province. Products and snacks were distributed to attendees and games for children at Sirindhorn Rajawittayalai Children's Center, which is one of Samut Prakan's most important events.
- Donation of vegetable oil products for cooking at the Children's Center on a monthly basis throughout 2023.



Human Resources and Corporate Culture

We are committed to treat people in accordance with good labour management principles as a standard and guideline for future business operations.

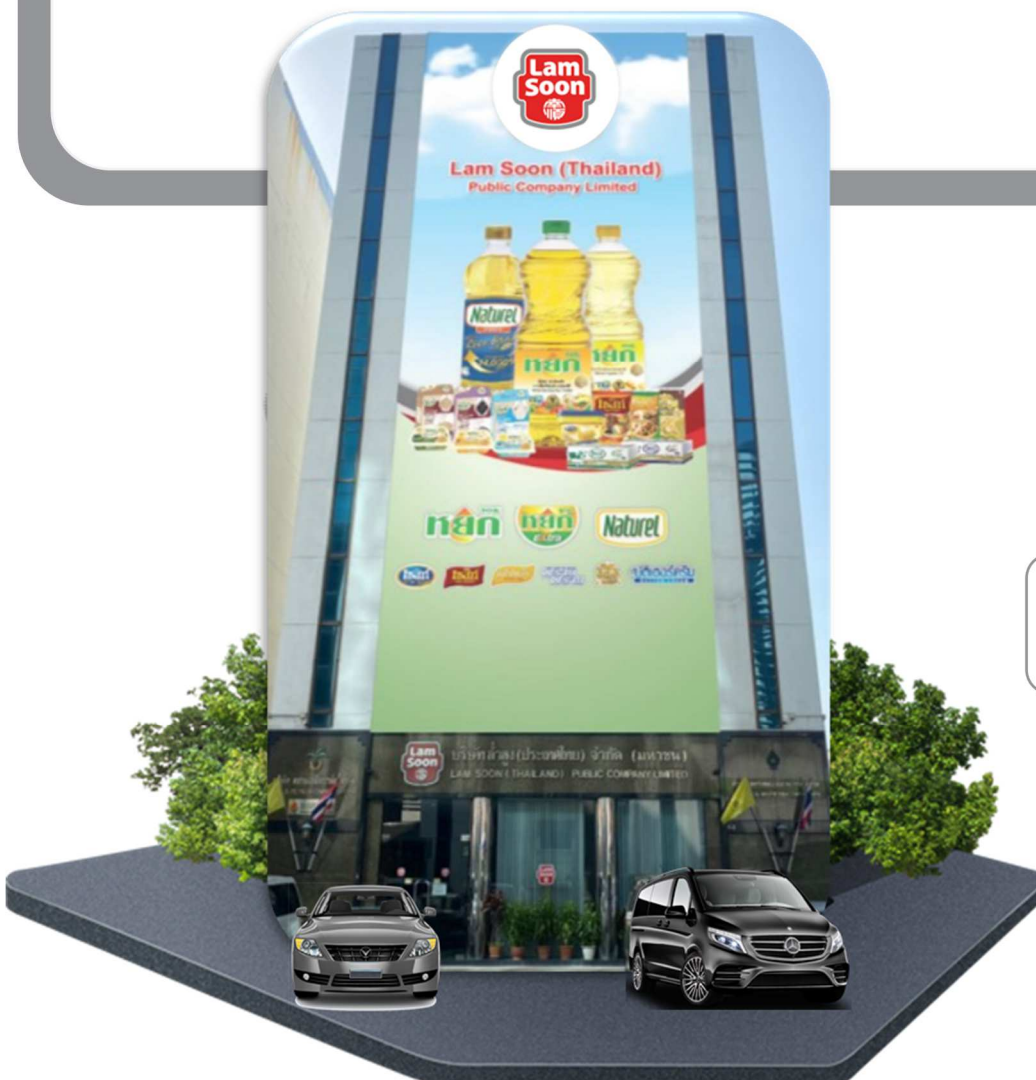
Strengthening the business by focusing on increasing the potential of personnel to be ready for business growth has continued in accordance with the company's strategic plans. Strengthening the business by focusing on increasing the potential of personnel to be ready for business growth has continued in accordance with the Company's strategic plans. By creating a culture of "**coaching and feedback**," it is an important skill for supervisors' level to apply techniques to coach in order to achieve speed and agility in operations and reduce time and mistakes. At the same time, providing feedback can enable operators to carry out various activities. It also builds good relationships among the team.

The creation of a culture of "**coaching and feedback**" continues to build the foundation for supervisory level. This will lead to leadership organization according to the strategic plan set in the near future. This will lead to leadership organisation according to the strategic plan set in the near future.

In 2023, Bangna Head Office, Bangpoo Factory, and Trang Factory received GLP: Good Labour Practices certification from the Department of Labour Protection and Welfare, Ministry of Labor Ministry of Labour.



Mr. Poomkiet Chotichaicharin
Managing Director



**Lam Soon (Thailand)'s
Head Office in Bangna**

Section 1

Business Operation and Operating Results

1. Organisational Structure and Operation of the Group of Companies

Policy and Business Overview

Lam Soon (Thailand) Public Company Limited which was first registered as Bangkok Edible Oil Company Limited was incorporated as a limited company on September 18, 1974, with an initial registered capital of 5 million Baht.

In 1978, production of palm oil related products began following the commissioning of a palm oil refining plant at Bangpoo Industrial Estate, Samut Prakan in cooperation with Lam Soon Group from Malaysia which has expertise in palm oil refining business. In August 1984, Bangkok Edible Oil Company Limited and Lam Soon (Thailand) Company Limited switched their names, with Lam Soon (Thailand) Company Limited operating as a palm oil producer and appointing Bangkok Edible Oil Company Limited as a distributor. Later on, January 17, 1986, Lam Soon (Thailand) Company Limited changed its name in Thai to be pronounced as “Lam Soong”. In June 1994, the Company changed its operating structure to operate as both a manufacturer and distributor of palm oil and dishwashing liquid products. Thereafter, Bangkok Edible Oil Company Limited becomes holding company and no longer carried on any business related activities.

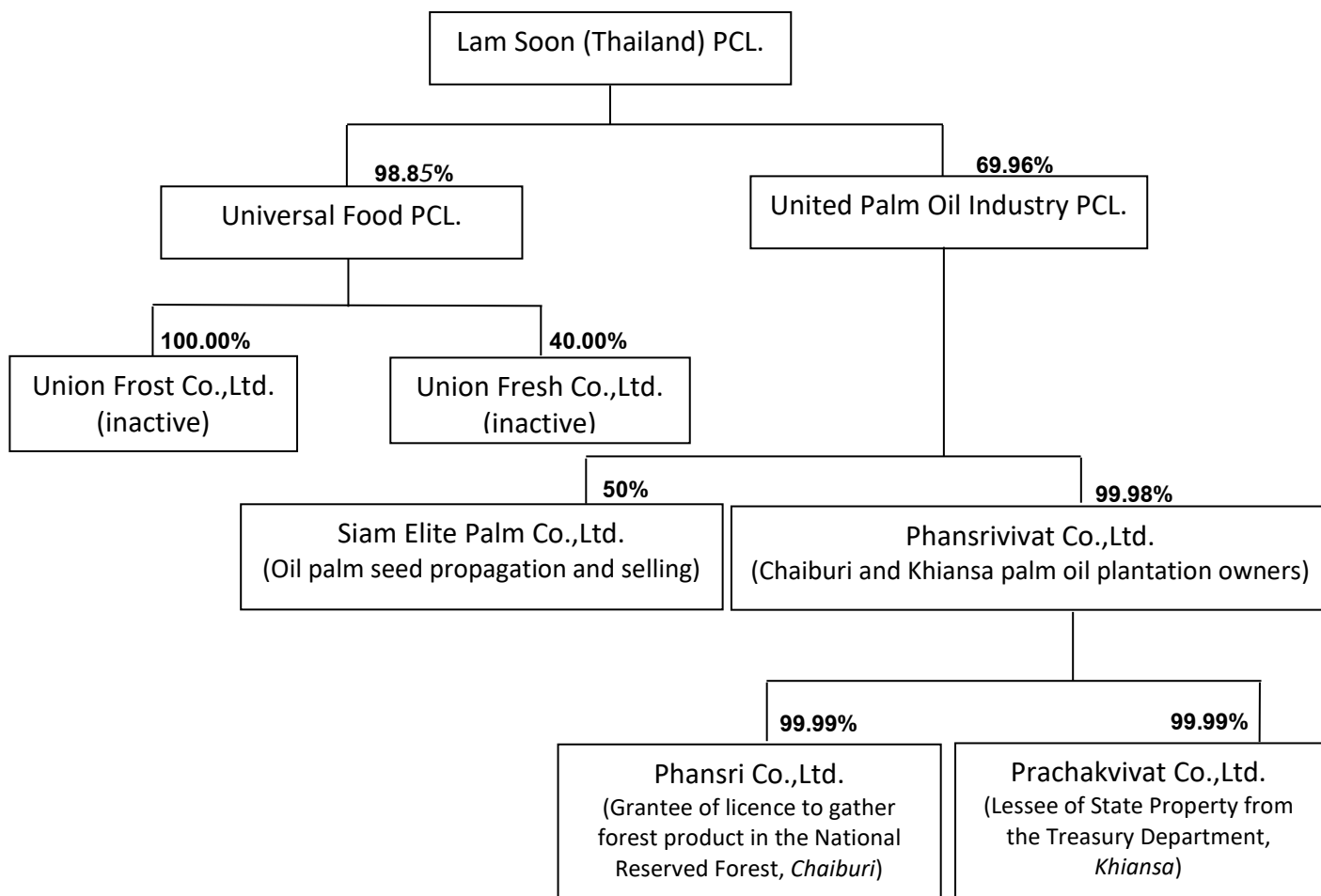
Lam Soon (Thailand) Company Limited was registered as a public company limited on October 27, 1995 and the Stock Exchange of Thailand approved the Company to trade in the stock market on June 20, 1996.

On May 28, 2003, the Company increased its investment in United Palm Oil Industry Public Company Limited (UPOIC) from 24.40% to 66.29%, causing the said company to change its status from an associated company to a subsidiary. At present, the Company's investment in UPOIC is 69.96%.

On April 2, 2004, the Company acquired shares of Universal Foods Public Company Limited (“UFC”) from a group of existing shareholders of UFC, making UFC a subsidiary. At present, the Company has a stake in UFC at 98.85%.

The Company’s policy is to pay dividends to shareholders of an amount not less than 40% of its net earnings after tax, subject to the Company’s future investment and funding requirements.

Shareholding Structure of the Group



The Company has investment holding in two subsidiaries namely

1. United Palm Oil Industry Public Company Limited or UPOIC has been held by the Company at 69.96% shareholding. UPOIC and its subsidiary operate oil palm plantations together with having its own crushing mill of crude palm oil (CPO) and crude palm kernel oil (CPKO), under the total planted area with the documents of rights at 13,461 rai. Major products include CPO and CPKO. Other products include palm kernel and palm kernel cake. UPOIC has invested in a subsidiary namely Phansrivivat Company Limited at 99.98% shareholding.

Corporate Headquarters : 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea,
Khet Bangna, Bangkok 10260

Tel. 02-744 1046

Fax. 02-361 8989

Krabi Office and Crushing Mill : 98 Moo 6, Nuaklong-Khao Phanom Road, Km. 9.5
Huayyoong Sub-District, Nuaklong District, Krabi
81130

Tel. 075-666 075

Fax. 075-666 072

Nature of Business	: A plantation company that produces crude palm oil (CPO) and crude palm kernel oil (CPKO)
Registered and paid-up capital	: 324,050,000 Baht
Outstanding common shares	: 324,050,000 shares
Shareholding (common shares)	: 226,715,110 shares or 69.96%

2. Universal Food Public Company Limited or UFC has been held by the Company at 98.85% shareholding. UFC manufactures and distributed fruit and vegetable in can, pouch, and glass jar, together with beverages, fruit juice, canned coffee, sauces and seasonings, household care products for sales in both the domestic and export markets. At present, UFC operates 2 factories in Lampang and Nakhon Pathom.

Corporate Headquarters : 60 Soi Bangna-Trad 25, Khwaeng Bangna Nuea Khet Bangna, Bangkok 10260

Tel 02-398 8555

Factory Address (1) : 64 Moo 1, Pongsaengthong Sub-District, Muang Lampang District, Lampang 52100

Tel 054-810 270-2

Fax 054-810 275

Factory Address (2) : 469/1 Bhapratone-Banpaew Road, Moo 3, Don-yai-hom Sub-District, Muang District, Nakhon Pathom 73000

Tel 034-229 397-9, 034-388 262-7

Nature of Business : Fruit and vegetable processing; Manufacturer of beverages, sauces and seasonings, and household care products for sale in both the domestic and export markets

Registered and paid-up capital : 525,000,000 Baht

Outstanding common shares : 52,500,000 shares

Shareholding (common shares) : 51,949,570 shares or 98.85%

UFC has invested in the 2 following associated and subsidiary companies.

2.1 Union Frost Company Limited

Nature of Business : not active

Registered and paid-up capital : 530,000,000 Baht

Outstanding common shares : 5,300,000 shares
(Par Value of 100 Baht per share)

Common shares held by UFC : 5,299,998 shares or 100.00%

2.2	Union Fresh Company Limited	
	Nature of Business	: not active
	Registered and paid-up capital	: 30,000,000 Baht
	Outstanding common shares	: 300,000 shares (Par Value of 100 Baht per share)
	Common shares held by UFC	: 120,000 shares or 40.00%

UFC already set up 100% provision for investment in both companies.

Vision & Mission

Vision

The leading food and food related company with sustainable growth and development.

Mission

1. Manufacturing and distributing high quality and nutritious food product together with innovative production for novel food to fulfill customer requirements as well as providing the best services and building capacity which is able to be competitive in the future
2. Employing advanced technology with international management system as well as taking care of the environment, communities, and society
3. Building trust and confidence toward our customers, and allocate compensation or dividend to shareholders, and other stakeholders appropriately. Moreover, healthy, safety, and welfare of all employees are always taken into highly consideration

Business Goal and Strategy

The Company commits to achieving the business goal with transparency awareness, ethical integrities, respect for human rights, sustaining well-being communities and the environment, and applying superior technology advantage to increase production efficiency and promote the marketplace and environmental friendliness. All these orientations are vital in attaining the topmost organisation targets i.e. the Company's values, the stakeholder benefits, and consistently contributing to shareholders' wealth in the longer term.

Sustainability Goal



“ Nutrition for BETTER LIFE ”

◆

To be a leading company in **supplying nutritious products** with social care and environment for a better quality of life for everyone.



News Highlights of Previous Year

1. Board of Directors : The Appointment of Sustainability Committee

The Board of Directors Meeting No.1/2023 on 24 February 2023 resolved to approve the appointment of the Sustainability Committee (SC) to ensure sustainable business operations according to the principles of 2023 Corporate Governance, with the following members.

- | | |
|---------------------------------|---|
| 1. Mr. Whang Shang Ying | The Chairman of the SC |
| 2. Mr. Poomkiet Chotichaicharin | Vice Chairman of the SC |
| 3. Ms. Piyathida Sukchan | member of the SC and secretary |
| 4. Mr. Virat Suwannarat | member of the SC |
| 5. Mr. Nattapong Mathakun | member of the SC |
| 6. Mr. Chuchai Singruenroeng | member of the SC |
| 7. Mr. Supoch Pangjan | member of the SC |
| 8. Ms. Jeeratchaya Siriwattamon | member of the SC and
Head of Working Group |

2. Board of Directors : The Acknowledgement of appointing a new Vice President – Account and Finance

The Board of Directors Meeting No.1/2023 on 24 February 2023 acknowledged :-

2.1 The resignation of Ms. Sutasani Sukeechon from the position of Vice President – Account and Finance, with effect from 1 February 2023.

2.2 The appointment of Mrs. Chanpen Teachakumtorn as a new Vice President – Account and Finance, to replace Ms. Sutasani Sukeechon, with effect from 23 January 2023.

3. Audit and Corporate Governance Committee : The Appointment of Secretary to the Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee Meeting No.2/2023 on 12 May 2023 resolved to approve the appointment of Mrs. Chanpen Teachakumtorn as Secretary to the Audit and Corporate Governance Committee, in replacement of Ms. Sutasani Sukeechon, with effect from 12 May 2023 (Ms. Piyathida Sukchan, Company Secretary, being an acting AC Secretary during 24 February – 12 May 2023.)

4. Code of Business Conduct : The Revised and Updated Code of Business Conduct

The Board of Directors Meeting No.6/2023 on 10 November 2023 resolved to approve to revise and update Code of Business Conduct as the second revision (R.02) which was updated in accordance with the current situation and in line with the new guidelines for good corporate governance including guidelines for sustainable development.

The Company has disclosed the second revised Code of Business Conduct (second revision : R02) on the Company's website : [https://lamsoon.co.th/wp-content/uploads/2024/03/LST-CODE-OF-BUSINESS-CONDUCT-Booklet-EN-11032024ver.Final .pdf](https://lamsoon.co.th/wp-content/uploads/2024/03/LST-CODE-OF-BUSINESS-CONDUCT-Booklet-EN-11032024ver.Final.pdf)

5. Shareholders' Meeting : The Amendment of the Company's Articles of Association, Article 21, 27, 28, 29, and 38

After considering the proposal of the Board of Directors, the Annual General Meeting of Shareholders No. 1/2023 on 7 April 2023 resolved to approve the amendment to the Company's Articles of Association, Article 21, 27, 28, 29, and 38, to comply with the Public Limited Companies Act (No. 4), B.E. 2565 (2022) ("PLCA No. 4") and the development of digital technology, which will facilitate the Company and its shareholders.

Article 21

From

Article 21. The Board of Directors must hold a meeting at least 3 months/time.

In summoning a meeting of the Board of Directors, the Chairman of the Board or a person entrusted by him shall send notices thereof to the Directors not less than 7 days prior to the date of the meeting. However, in a case of necessity or urgency for the purpose of maintaining the rights and interests of the Company, the summoning of the meeting may be made by other methods and the date of the meeting may be sooner fixed.

The Company may send a summoning notice for the Board of Directors' meeting including its related documents by an electronic mail.

The Company's Board of Directors may hold a meeting at the locality in which the Company's head office is situated or other provinces around the Kingdom, or the Board of Directors' meeting can be arranged via electronic means according to the conditions, procedures and methods prescribed by law.

Two or more Directors may ask the Chairman of the Board to convene a Board of Directors' meeting. In the event a meeting is requested by at least 2 Directors, the Chairman of the Board shall fix the date of the meeting within 14 days from the date of receipt of the request.

To

Article 21. The Board of Directors must hold a meeting at least once every 3 months.

The Chairman of the Board shall call the meeting of the Board of Directors. If it is reasonable or for the protection of the Company's benefit, at least two Directors may jointly request that the Chairman summons a Board of Directors' meeting and they shall also propose the meeting agenda and reasons to the Chairman. In this case, the Chairman shall summon and fix the date of the Board of Directors' meeting within 14 days from the date of the request.

In the case where the Chairman does not summon and fix the date of the meeting within the period specified in the above paragraph, the requesting Directors may jointly summon and fix the date of the meeting to resolve the proposed agenda items within 14 days from the end of such 14-day period mentioned in the above paragraph.

In summoning a meeting of the Board of Directors, the Chairman of the Board or a person entrusted by him shall send notices thereof to the Directors not less than 3 days prior to the date of the meeting. However, in a case of necessity or urgency for the purpose of maintaining the rights and interests of the Company, the summoning of the meeting may be made by electronic means or other methods and the date of the meeting may be sooner fixed.

The Company may send a summoning notice for the Board of Directors' meeting including its related documents by an electronic mail.

The Company's Board of Directors may hold a meeting at the locality in which the Company's head office is situated or other provinces around the Kingdom, or the Board of Directors' meeting can be arranged via electronic means according to the conditions, procedures and methods prescribed by law. The headquarters of the Company shall be deemed to be the venue where the electronic meeting is held.

In the absence of a Chairman of the Board of Directors, the Vice-Chairman shall summon the meeting of the Board of Directors. In the case of the absence of a Vice-Chairman, a Board of Directors' meeting may jointly be summoned by at least two directors.

Article 27

From

Article 27. The Board of Directors shall convene an Annual General Meeting of Shareholders within four months from the last day of the fiscal year of the Company.

Other meetings of shareholders in addition to the above shall be called as Extraordinary Meeting of Shareholders. The Board of Directors may convene an extraordinary meeting at any time it deems as appropriate.

One or more shareholders holding shares in aggregate of at least ten (10) percent of the total number of issued shares may together join the name list in writing to request to the Board of Directors to call for an extraordinary meeting of shareholders at any time. However, it is necessary to specify the subject and the reasons for the meeting request to be precise in such a case. The Board of Directors must arrange a meeting of shareholders within forty-five days from the date of receipt of the letter from the shareholders.

In case the Board does not arrange a meeting within the period specified in the third paragraph, the shareholders, who have been nominated or the other shareholders collectively have the required number of shares, may convene such meeting forty-five days from the date of the expiration of the period under the third paragraph. Such case is

considered as Shareholders' Meeting which is called by the Board of Directors. The Company shall be responsible for facilitating convenience and any expenditure incurred during the meeting as it deems as appropriate. In case the meeting of shareholders is convened by the shareholders under the fourth paragraph and the number of shareholders attending the meeting does not constitute a quorum as stipulated in Article 30 of this Articles of Association, the shareholders under the fourth paragraph shall be jointly and severally liable for the costs incurred by such meeting.

To

Article 27. The Board of Directors shall convene an Annual General Meeting of Shareholders within four months from the last day of the fiscal year of the Company.

Other meetings of shareholders in addition to the above shall be called as Extraordinary Meeting of Shareholders. The Board of Directors may convene an extraordinary meeting at any time it deems as appropriate.

One or more shareholders holding shares in aggregate of at least ten (10) percent of the total number of issued shares may together join the name list in writing to request to the Board of Directors to call for an extraordinary meeting of shareholders at any time. However, it is necessary to specify the subject and the reasons for the meeting request to be precise in such a case. The Board of Directors must arrange a meeting of shareholders within forty-five days from the date of receipt of the letter from the shareholders.

In case the Board does not arrange a meeting within the period specified in the third paragraph, the shareholders, who have been nominated or the other shareholders collectively have the required number of shares, may convene such meeting forty-five days from the date of the expiration of the period under the third paragraph. Such case is considered as Shareholders' Meeting which is called by the Board of Directors. The Company shall be responsible for facilitating convenience and any expenditure incurred during the meeting as it deems as appropriate.

In case the meeting of shareholders is convened by the shareholders under the fourth paragraph and the number of shareholders attending the meeting does not constitute a quorum as stipulated in Article 30 of this Articles of Association, the shareholders under the fourth paragraph shall be jointly and severally liable for the costs incurred by such meeting.

In the case where a shareholders' meeting is summoned by the shareholders, the notice may be sent via electronic means according to the conditions, procedures and methods prescribed by law.

Article 28

From

Article 28. In summoning the shareholders' meeting, the Board of Directors shall prepare a notice of the meeting specifying the place, date, time, agenda and the matters to be submitted to the meeting together with appropriate details stating clearly whether they will be for acknowledgement, for approval or for consideration, including the opinions of the Board of Directors on the said matters and shall send the same to the shareholders and a registrar for information not less than 7 days prior to the meeting. Publication of a notice of the meeting shall also be made in a newspaper for 3 consecutive days at least 3 days prior to the meeting.

The shareholders' meeting may be held at the locality in which the Company's head office is situated or other provinces around the Kingdom.

To

Article 28. In summoning the shareholders' meeting whether it is in person or via electronic means, the Board of Directors shall prepare a notice of the meeting specifying the place, date, time, agenda and the matters to be submitted to the meeting together with appropriate details stating clearly whether they will be for acknowledgement, for approval or for consideration, including the opinions of the Board of Directors on the said matters and shall send the same to the shareholders and a registrar for information not less than 7 days prior to the meeting. Publication of a notice of the meeting shall also be made in a newspaper for 3 consecutive days at least 3 days prior to the meeting.

The Company may send a summoning notice of the meeting and its related documents to shareholders by electronic means. In addition, publication of a notice of the meeting may be instead made via electronic means by being posted on a generally accessible website according to the conditions, procedures and methods prescribed by law.

The shareholders' meeting may be held at the locality in which the Company's head office is situated or other provinces around the Kingdom, or the shareholders' meeting can be arranged via electronic means according to the conditions, procedures and methods prescribed by law. The headquarters of the Company shall be deemed to be the venue where the electronic meeting is held.

Article 29From

Article 29. In the shareholders' meeting, the shareholders may appoint another person as their proxy to attend and vote on their behalf. The instrument appointing proxy shall be dated and signed by the shareholder giving proxy and shall be in the form so prescribed by the registrar.

The instrument appointing proxy shall be delivered to the Chairman of the Board, or a person entrusted by the Chairman at the meeting prior to the time of the meeting.

To

Article 29. In the shareholders' meeting, the shareholders may appoint another person as their proxy to attend and vote on their behalf. The instrument appointing proxy shall be dated and signed by the shareholder giving proxy and shall be in the form so prescribed by the registrar.

The instrument appointing proxy shall be delivered to the Chairman of the Board, or a person entrusted by the Chairman at the meeting prior to the time of the meeting.

The shareholders may appoint another person as their proxy via electronic means according to the conditions, procedures and methods prescribed by law.

Article 38From

Article 38. Payment of dividends from money other than profit is not allowed. In the case where the Company still has accumulated losses, payment of a dividend is prohibited.

The dividends shall be equally distributed according to the number of shares and the payment of the dividends requires the approval of the shareholders' meeting.

In the event the Company still cannot sell its shares up to the number registered or the Company has registered an increase of capital, the Company may pay dividend in full or in part by issuing new ordinary shares to the shareholders, with approval of the meeting of shareholders.

The Board of Directors may pay interim dividends to the shareholders from time to time when the Board of Directors finds the Company has sufficient profit and a report thereof shall be made to the shareholders' meeting at the next meeting.

The payment of dividends shall be made within 1 month from the date the resolution was passed by the shareholders' meeting or by the meeting of the Board of Directors, as the case may be. Written notices thereof shall also be sent to the shareholders and publication of the notice of the payment of dividends shall also be made in a newspaper. No interest can be charged against the Company if such dividend payment had been made within the time specified by law.

To

Article 38. Payment of dividends from money other than profit is not allowed. In the case where the Company still has accumulated losses, payment of a dividend is prohibited.

The dividends shall be equally distributed according to the number of shares and the payment of the dividends requires the approval of the shareholders' meeting.

In the event the Company still cannot sell its shares up to the number registered or the Company has registered an increase of capital, the Company may pay dividend in full or in part by issuing new ordinary shares to the shareholders, with approval of the meeting of shareholders.

The Board of Directors may pay interim dividends to the shareholders from time to time when the Board of Directors finds the Company has sufficient profit and a report thereof shall be made to the shareholders' meeting at the next meeting.

The payment of dividends shall be made within 1 month from the date the resolution was passed by the shareholders' meeting or by the meeting of the Board of Directors, as the case may be. Written notices thereof shall also be sent to the shareholders and publication of the notice of the payment of dividends shall also be made in a newspaper. No interest can be charged against the Company if such dividend payment had been made within the time specified by law.

The written notices to the shareholders and publication of the notice of the dividend payment may be made via electronic means by being posted on a generally accessible website according to the conditions, procedures and methods prescribed by law.

6. **Investment** : Solar Roof and CEMS/ESP project

The Board of Directors Meeting No.7/2023 on 10 November 2023 approved the total investment budget for Solar Roof project amounting 27.3 Million Baht at Bangpoo Refinery and CEMS and ESP project installation amounting 22.5 Million Baht at Trang Crushing Mill.

7. **News Highlights of Subsidiary**

7.1 Litigation

1) **Krabi chief public prosecutor filed a lawsuit against the Subsidiary with the Court to vacate the land at Krabi Noi, Muang Krabi.**

Continuing events from Annual report 2020-2022

On 18 April 2023, the case reached its conclusion by the Court dismissed the case. (Information as presented in Notes to Financial Statements 35.7 (1))

2) **A group of villagers filed a petition to the Central Administrative Court to revoke land title documents of the Subsidiary in Phra Saeng District, Surat Thani.**

A group of villagers who claimed to be farmers brought a legal action against the Subsidiary and filed a petition to the Central Administrative Court, seeking its judicial consideration to order the Land Department to revoke the Subsidiary's land title deeds in Bang Sawan Sub-district, Phra Saeng District, Surat Thani.

- 13 plots under land title deeds, covering a total area of 82 rai, and
- 10 plots under Nor Sor 3 Kor certificates, covering a total area of 325 rai.

The villagers alleged that land officers had issued the documentation in an unethical manner.

On 19 March 2021, the Central Administrative Court rendered judgement and directed that:-

- Director-General of Surat Thani Land Office and land officers Surat Thani Province, Phra Saeng Branch, shall perform duties in accordance with Section 61 of the Land Code to revoke or amend the Subsidiary's land title deeds and Nor Sor 3 Kor certificates of said plots to make them legal and
- Director-General of the Forest Department to conduct relevant actions under his authority to evict the Subsidiary from the disputed land within 180 days from the date of the case is finalised.

On 16 April 2021, the Subsidiary appealed the judgement to the Supreme Administrative Court. The management believes that the subsidiary can appeal the judgement with the available evidence.

(Information as presented in Notes to Financial Statements 35.7 (2))

3) The Land Department revoked the land title documents of the Subsidiary in Phra Saeng District, Surat Thani.

On 25 November 2022, the Land Department issued a letter ordering the revocation of the Subsidiary's land title deeds 10 plots in Bang Sawan Sub-district, Phra Saeng District, Surat Thani. These title deeds were issued following a project of surveying land title deeds in 2006 by reference to Nor Sor 3 Kor certificates on the exact location as issued in a project of surveying Nor Sor 3 Kor certificates in 1981, which were issued in an illegitimate manner.

On 9 December 2022, the Subsidiary appealed against the revocation order and filed a lawsuit with the Central Administrative Court on 1 February 2023.

On 22 March 2023, the Land Department issued a letter informing the subsidiary that their appeal was unjustifiable. On 30 March 2023, the Office of the Central Administrative Court provided the Company with a copy of the Land Department's letter of clarification.

On 12 May 2023, the Central Administrative Court dismissed the lawsuit because it had been filed before the accused had exhausted all available legal remedies for redress of trouble or damage, as required by law. Nevertheless, the subsidiary decided to file a new lawsuit on 26 May 2023, which is currently under consideration of the Central Administrative Court.

However, if the Subsidiary loses land plots, the cost of land and net book value of the cost of oil palm plantation developments will be decreased by 0.5 million Baht.

(Information as presented in Notes to Financial Statements 35.7 (3))

4) The land title deeds in Krabi Noi Subdistrict, Muang District, Krabi.

In July 2023, the Subsidiary faced an allegation of unauthorised land survey and issuance of land title deeds in collusion with government officials in Krabi Noi Subdistrict, Muang District, Krabi. Thus far, the Subsidiary has already delivered a rebuttal of the aforementioned allegation.

(Information as presented in Notes to Financial Statements 35.7 (4))

7.2 Order of Krabi Provincial Agricultural Land Reform Office

1) ALRO land plot No. 603

On 21 July 2020, the ALRO issued a notice designating land plots No. 603 in Krabi Noi Sub-district, Muang District and Huayyoong Sub-district, Nueaklong District, Krabi, covering a total area of 3,617 rai, as a targeted area for land reform and bringing a legal action against any illegal encroachment. Owners of the selected areas were required to submit a petition with evidence and documents regarding land rights under the Land Code or other applicable laws within 15 days from the date that the notice was announced at the ALRO in Krabi, i.e. from 19 August 2020. On 3 September 2020, the Subsidiary as a landowner submitted a petition with evidence and documents regarding land rights over the designated land plots.

In 2020 and 2021, the Subsidiary brought a legal action regarding rights over the land plots.

On 10 March 2022, the ALRO in Krabi submitted an additional statement to overcome the Subsidiary's objection. On 29 June 2022, the Supreme Administrative Court upheld the Administrative Court of First Instance's judgement not accepting a lawsuit concerning the revocation of the notice of ALRO on designating a targeted area for land reform because the Subsidiary filed the lawsuit after the end of the filing period. However, the Supreme Administrative Court accepted a lawsuit concerning the revocation of the order on vacating the land plots and removing all construction in the targeted area. The Supreme Administrative Court is currently reviewing this case.

The Subsidiary set aside allowance for impairment loss on the cost of land and net book value of the cost of oil palm plantation development amounting to 13 million Baht as expenses in the 2021 financial statements.

(Information as presented in Notes to Financial Statements 35.6 (1))

2) ALRO land plot No. 604

On 4 June 2021, the ALRO has announced that land plots No. 604 in Khao Phanom Sub-district and Phru Tiao Sub-district, Khao Phanom District, Krabi, covering a total area of 4,200 rai, is a prospective area for land reform which is not incorporated in a land reform program. A landowner is required to provide evidence and documentation regrading land rights under the Land Code or other applicable laws within 15 days from the date the announced was posted at the ALRO in Krabi.

In 2021, the Subsidiary produced possession documentation with the ALRO in Krabi regarding rights over the land plots.

On 6 December 2022, the Subsidiary received a letter from the ALRO in Krabi, informing of evaluation results, which evidence relating to possession of such prospective area was unjustifiable. Subsequently, on 16 December 2022, the Subsidiary lodged an objection.

On 29 December 2022, the ALRO in Krabi sent a letter informing that the ALRO's judgement was final and conclusive. If the Subsidiary objected to the judgement, the subsidiary could file a lawsuit with the Phuket Administrative Court.

On 24 March 2023, the subsidiary filed a lawsuit against the ALRO in Krabi and the ALRO with the Phuket Administrative court, seeking to revoke the notice of the ALRO on designating a targeted area for land reform obligating illegal occupiers to present land title deeds.

On 15 August 2023, the Phuket Administrative Court ruled not to consider certain plaints, specifically a petition for the revocation of the notice of the LARO on designating a targeted area for land reform obligating illegal occupiers to present land title deeds since the lawsuit had been filed beyond the prescribed period for legal action. However, the court accepted a petition for the revocation of a letter from the ALRO in Krabi, Kor Bor 0011/2102, dated 23 December 2022, informing of its judgement.

However, the Subsidiary set aside an allowance for impairment loss on the cost of land and net book value of the cost of oil palm plantation development amounting to 27 million Baht as expenses in the 2018 financial statements and wrote of the net book value of the cost of building and equipment by 2 million Baht in the 2022 financial statements.

(Information as presented in Notes to Financial Statements 35.6 (2))

Company Profile

Name of Company	: Lam Soon (Thailand) Public Company Limited
No. of Registration	: 0107538000568 (formerly Bor Mor Jor 579)
Website	: www.lamsoon.co.th
Corporate Headquarters	: 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260
	Tel 02-361 8959-70
	Fax (Management Dept.) 02-361 8989
	Fax (Sales Dept.) 02-361 8994-5
Refinery Address	: 236 Moo 4, Bangpoo Industrial Estate, Sukhumvit Road, Phraeksa Sub-District, Muang Samut Prakarn District, Samut Prakarn 10280
	Tel 02-709 3610-24
	Fax 02-324 0640
Crushing Mill Address	: 99/9 Moo 2, Sikao-Kuankun Road, Kalasae Sub-District, Sikao District, Trang 92150
	Tel 075-270 690-1
	Fax 075-270 692-3
Nature of Business	: Manufacturer and distributor of vegetable oil products, margarine and shortening
Registered and paid-up capital	: 820,000,000 Baht
Outstanding common shares	: 820,000,000 shares
Par value	: 1 Baht

Nature of Business

Lam Soon (Thailand) Public Company Limited operates a crushing mill and a palm oil refinery with its refining capacity at 700 MT per day or 255,500 MT per year. Lam Soon Group sells and markets its product line which includes:

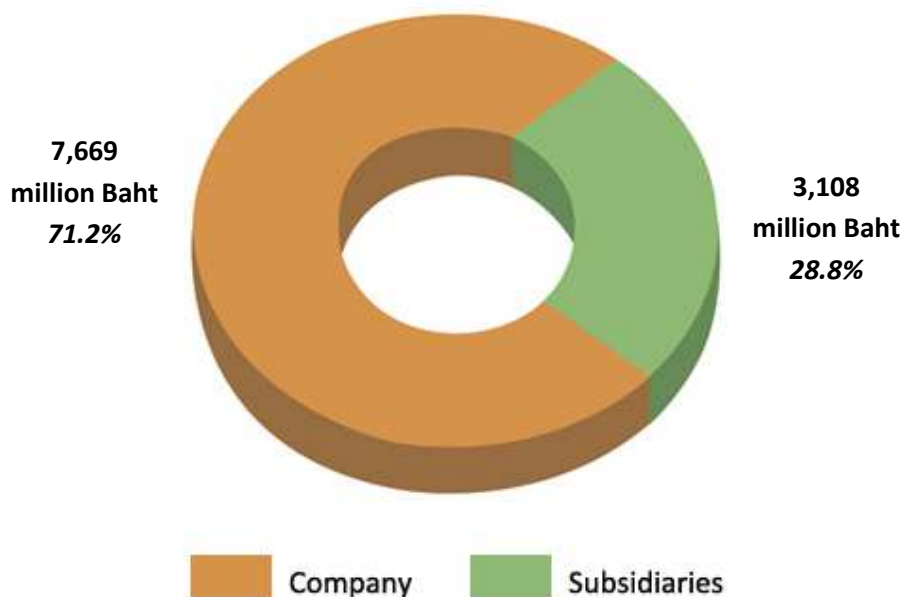
1. Vegetable Oils
 - Palm Oil
 - Other Vegetable Oils
2. Margarine and Shortening
3. Beverages
4. Fruits and vegetables packed in can
5. Sauces and seasonings
6. Flour and bakery ingredients products
7. Rice and Pasta
8. Household care products

Of the Company's above product line, Processed Palm Oil has contributed 61.3% (2022 : 67.6%) of its total sales, while the Company currently has approximately 10 - 15% market share in the palm oil business (measured by CPO volume purchase).



Revenue structure

	2021		2022		2023	
	mil. Baht	%	mil. Baht	%	mil. Baht	%
Company	7,390	77.6	8,780	76.4	7,669	71.2
Subsidiaries	2,131	22.4	2,713	23.6	3,108	28.8
Total	9,521	100.0	11,493	100.0	10,778	100.0



Product/Services by Group	Operated By	2021		2022		2023	
		Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Crude Palm Oil	LST and UPOIC	359	3.76	616	5.36	793	7.36
Other Palm and Vegetable Oils		6,568	68.98	7,768	67.59	6,603	61.26
Margarine and Shortening	LST	685	7.20	910	7.91	923	8.56
Other palm based products	LST and UPOIC	107	1.13	121	1.06	106	0.98
Selling Electricity power to PEA	LST and UPOIC	13	0.14	23	0.20	26	0.24
Beverages	UFC and LST	957	10.05	1,294	11.26	1,498	13.90
Canned Fruits and Vegetables		691	7.26	616	5.36	673	6.24
Sauces and Seasonings and others		141	1.48	145	1.26	157	1.46
Total Sales - Net		9,521		11,493		10,778	

Note : LST has been the distributor for UFC products in the domestic market since March 2006

Product Information of the Group

Main product	Trademark	Product applications	Target customers	Distribution
1. Crude Palm Oil and By-Products	-	- Used as a raw material for the production of refined palm oil	- Palm oil refining plant - Biodiesel Plant	- Packed in tank, 14-30 MT
1.1 Crude Palm Oil (IP/SG/MB) <i>IP : Identity Preserved</i> <i>SG : Segregated</i> <i>MB : Mass Balance</i>	-	- Used as a raw material for the production of refined palm oil	- Palm oil refining plant	- Packed in tank, 14-30 MT
1.2 Crude Palm Kernel Oil	-	- Used as a raw material for the production of refined palm kernel oil	- Palm oil refining plant	- Packed in tank, 14-30 MT
1.3 Crude Palm Kernel Oil (IP/SG/MB)	-	- Used as a raw material for the production of refined palm kernel oil	- Palm oil refining plant	- Packed in tank, 14-30 MT
2. Refined and processed palm products				
2.1 Refined, Bleached, and Deodorised (RBD) Palm Oil	-	- Used as an ingredient in making sweetened condensed milk and ice cream - Used as frying oil for instant noodles, potatoes	- Sweetened condensed milk factory - Ice cream factory - Instant noodle factory	- Packed in tank, 12-13 MT - Packed in drum, 200 liters
2.2 RBD Palm Oil/MB	-	- Used as an ingredient in making sweetened condensed milk and ice cream - Used as instant noodles fried oil, instant noodles fried garlic oil, potato chips	- Sweetened condensed milk factory - Ice cream factory - Instant noodle factory	- Packed in tank, 12-13 MT - Packed in drum, 200 liters
2.3 RBD Palm Oil/LG <i>LG : Low Glycidyl Esters</i>	-	- Used as an ingredient in making sweetened condensed milk and ice cream - Used as instant noodles fried oil, instant noodles fried garlic oil, potato chips	- Sweetened condensed milk factory - Ice cream factory - Instant noodle factory	- Packed in tank, 12-13 MT
2.4 RBD Palm Oil/LG (SG/MB)	-	- Used as an ingredient in making sweetened condensed milk and ice cream - Used as instant noodles fried oil, instant noodles fried garlic oil, potato chips	- Sweetened condensed milk factory - Ice cream factory - Instant noodle factory	- Packed in tank, 7.5 -13 MT

Main product	Trademark	Product applications	Target customers	Distribution
2.5 RBD Palm Olein	YOK OEM	- Used as a consumer product - Used as an ingredient in making bakery products and snacks	- Hypermarkets & supermarkets - Convenience stores - Wholesale store - Restaurants - Food industry - Bakery industry - Fast Food Restaurants	- Packed in bottles, 0.25, 0.5, 1, 2 and 5 liters, - Packed in bags, 1 liter - Packed in tin, 13.75 and 18 liters - Packed in bag in boxes, 13.75 and 18 liters - Packed in drum, 200 liters - Packed in tank, 12-13 MT
2.6 RBD Palm Olein/MB	YOK	- Used as a consumer product - Used as an ingredient in making bakery products and snacks	- Restaurants - Food industry - Bakery industry - Fast Food Restaurants	- Packed in bag in boxes, 13.75 and 18 liters - Packed in drum, 200 liters - Packed in tank, 12-13 MT
2.7 RBD Palm Olein/LG	-	- Used as a consumer product - Used as a bakery ingredient and snacks	- Food industry - Bakery industry	- Packed in tank, 12-13 MT
2.8 RBD Palm Olein/LG(SG/MB)	-	- Used as a consumer product - Used as a frying oil for food such as fried chicken	- Food industry - Bakery industry	- Packed in tank, 12-13 MT
2.9 RBD Palm Olein/SG	-	- Used as a consumer product - Used as a frying oil for food such as fried chicken	- Food industry - Bakery industry	- Packed in tank, 12-13 MT
2.10 RBD Palm Stearin	-	- Used as a raw material for soap making, shortening, margarine and hydrogenated fat - Used as raw material for making animal feed	- Soap factory - Animal feed factory - Biodiesel Plant	- Packed in tank, 12.5-30 MT - Packed in drum, 200 liters
2.11 RBD Palm Stearin/MB	-	- Used as a raw material for soap making, shortening, margarine and hydrogenated fat - Used as raw material for making animal feed	- Soap factory - Animal feed factory - Biodiesel Plant	- Packed in tank, 12.5-30 MT
2.12 Palm Fatty Acid Distillate	-	- Used as a raw material for soap making and animal feed - Used as an ingredient in medicine - Used as raw material to make engine oil - Used as raw material for biodiesel production - Used in the oleochemical industry	- Soap factory - Animal feed factory - Pharmaceutical factory - Engine oil factory - Alternative Energy Plant - Rubber factory	- Packed in flexi bag, 20-22 MT - Packed in drum, 200 liters

Main product	Trademark	Product applications	Target customers	Distribution
		- Used as raw material for rubber production	- Biodiesel Plant (mainly export)	
2.13 Palm Kernel Fatty Acid Distillate	-	- Used as a raw material for soap making and animal feed - used as an ingredient in medicine - Used as raw material to make engine oil - Used as raw material for biodiesel production - Used in the oleochemical industry - Used as raw material for rubber production	- Soap factory - Animal feed factory -Pharmaceutical factory - Engine oil factory - Alternative Energy Plant - Rubber factory - Biodiesel Plant (mainly export)	- Packed in flexi bag, 20-22 MT - Packed in drum, 200 liters
3. Other Oil Products (Non Palm)				
3.1 Coconut Fatty Acid Distillate	-	- Used as a raw material for soap making and animal feed - Used as an ingredient in medicine - Used as raw material to make engine oil - Used as raw material for biodiesel production - Used in the oleochemical industry - Used as raw material for rubber production	- Soap factory - Animal feed factory -Pharmaceutical factory - Engine oil factory - Alternative Energy Plant - Rubber factory - Biodiesel Plant (mainly export)	- Packed in flexi bag, 20-22 MT - Packed in drum, 200 liters
3.2 RBD Palm Kernel Oil	Moon light (For Tin, Bag only)	- Used as a raw material for making soap bar, liquid soap - Used as raw material for the production of clear shampoo - Used as a raw material for shortening, margarine and hydrogenated fat	- Soap industry - Shampoo industry - Bakery industry	- Packed in tin, 16.8 kgs - Packed in bags, 1 liter - Packed in tank, 12-13 MT - Packed in drum, 200 liters
Refined Hydrogenated Palm Kernel Oil (RBD-HPKO)	-	-Used as a raw material for shortening, margarine and butter blends -Used as a raw material for creamer powder	- Food and Bakery industry	- Packed in tank, 12-13 MT
Refined Hydrogenated Palm Kernel Oil Low Trans (RBD-HPKO Low Trans)	-	-Used as a raw material for shortening, margarine and butter blends -Used as a raw material for creamer powder	- Food and Bakery industry	- Packed in tank, 12-13 MT

Main product	Trademark	Product applications	Target customers	Distribution
Butter fat substitution	-	- Used as a raw material for shortening, margarine and butter blends -Used as a raw material for dairy product	- Food & Dairy & Bakery industry	- Packed in tank, 11.5-12 MT
3.3 Coconut Oil	Moon light	- Used as a raw material for shortening, margarine and hydrogenated fat - Used as an ingredient in making ice cream - Used as an ingredient in baking - Use direct consumption	- Candy and ice cream Factory - Bakery shop - Bakery industry - Supermarket - Convenience stores - Wholesale store	- Packed in bottles, 0.5 and 1 liter - Packed in tin, 16.8 kg - Packed in drum, 200 liters - Packed in tank, 12-13 MT
Refined Hydrogenated Coconut Oil (RBD-HCNO)	Naturel YOK Extra -	- Used as a raw material in the manufacture of soap - Used as a raw material for shortening, margarine and hydrogenated fat - Used as a raw material for creamer powder	- Food & Bakery industry	- Packed in tank, 12-13 MT
3.4 Soybean Oil	YOK OEM Mazola	- Used as a consumer product	- Hypermarkets & supermarkets - Convenience stores - Wholesale store - Restaurants - Bakery industry - Food industry - Fast food restaurant	- Packed in bottles, 1, 2 and 3.3 liters - Packed in tin, 13.75 liters - Packed in bag in boxes, 13.75 liters - Packed in drum, 200 liters - Packed in tank, 12 - 13 MT
3.5 Sunflower Seed Oil	Naturel YOK Extra	- Used as a consumer product	- Hypermarkets & supermarkets - Convenience stores - Wholesale store - Restaurants - Export	- Packed in bottles, 1 liter
3.6 Corn Oil	OEM Naturel Mazola	- Used as a consumer product	- Hypermarkets & supermarkets - Convenience stores - Industrial customers	- Packed in bottles, 1 and 3.3 liters - Packed in pallet tanks, 1.3 MT
3.7 Classic 100% Pure Olive Oil Light & Mild Olive Oil Extra Virgin Olive Oil	Naturel	- Used as a consumer product	- Hypermarkets & supermarkets - Convenience stores - Wholesale store - Restaurants	- Packed in bottles, 250 and 500 milliliters

Main product	Trademark	Product applications	Target customers	Distribution
3.8 Extra Virgin Olive Oil spray	Naturel	- Used as a consumer product	- Hypermarkets & supermarkets - Convenience stores - Wholesale store - Restaurants	- Packed in bottles, 200 milliliters
3.9 Blended Canola and Sunflower Oil	Naturel	- Used as a consumer product	- Hypermarkets & supermarkets - Convenience stores - Wholesale store - Restaurants	- Packed in bottles, 1 liter
3.10 Blended Palm and Soybean Oil	OEM	-Used as a consumer product	- Hypermarkets & supermarkets - Convenience stores - Wholesale store - Restaurants	- Packed in bag in boxes, 13.75 liters
3.11 Canola Oil	Naturel YOK Extra	- Used as a consumer product	- Hypermarkets and supermarkets - Convenience stores - Wholesale store - Restaurants - Fast food restaurant	- Packed in bottles, 0.5, 1 and 5 liters - Packed in tin, 13.75 liters - Packed in bag in boxes, 18 liters - Packed in drum, 200 liters
3.12 Rice Bran Oil - Oryzanol 9,000ppm - Oryzanol 12,000ppm - Oryzanol 14,000ppm	YOK Extra Naturel Naturel Forte	- Used as a consumer product	- Hypermarkets & supermarkets - Convenience stores - Wholesale store - Restaurants - Export	- Packed in bottles, 1 liter - Packed in bag in boxes, 18 liters
3.13 Extra Virgin Coconut Oil	Naturel Forte	- Used as consumer products	- Hypermarkets & supermarkets - Convenience stores	- Packed in bottles, 500 milliliters
4. Margarine and Shortening group 4.1 Margarine	Zest gold, Zest, Butter cream, P, YOK, PBL501-10	- Used as an ingredient in baking such as bread, cakes, cookies, pie etc.	- Food industry - Confectionery industry, bakery - Fast food restaurant	- Packed in bag, 1 kilogram - Packed in boxes, 10 ,15 kilogram - Packed in Tub,

Main product	Trademark	Product applications	Target customers	Distribution
Fat Spread	Naturel, POP,Golden leaf, Moon light	- Used as an ingredient in popcorn. - Direct consumption such as spread on bread, etc.	- Bakery shop - Hypermarkets & supermarkets - Convenience stores	150, 250, 454 grams, 2 kilograms - Packed in bag, 1 kilogram - Packed in boxes, 15 kilograms - Packed in Tub, 250 grams - Special size packed according to order of customer
Margarine for Puff pastry	Zest	-Used as an ingredient in baking such as, Palmiers, Puff pastry etc.	- Food industry - Confectionery industry, bakery - Fast food restaurant - Bakery shop - Hypermarkets & supermarkets - Convenience stores	- Packed in bag, 10 kilogram
Margarine for Puff pastry LS1				
4.2 Shortening	Zest, Golden leaf, YOK, Moonlight, Frying, Fry Fry, NK,Dunkin Donuts, Hyfat K1 , Hyfat K2, Hyfat Zest , U45, 3943, NY16, P, PBL501-10, R-SBO RecipeA	- Used for frying in replace of vegetable oil to make good fried food, not oily and food will stay crispy and no rancid smell. - Used as an ingredient in baking such as bread, cakes, cookie, etc. - Used as an ingredient in the production of soy milk.	- Food industry - Confectionery industry, bakery - Fast food restaurant - Bakery shop - Wholesale store - Hypermarkets & supermarkets - Convenience stores	- Packed in bag, 1 kilogram - Packed in boxes, 12,15, 16 and 20 kilograms - Packed in drum 175 kilograms - Special size packed according to order of the customer
4.3 Butter Blend	Zest Zest gold	- Used as an ingredient in baking such as bread, cakes, cookies, etc.	- Food industry - Confectionery industry, bakery - Fast food restaurant - Bakery shop - Wholesale store	- Packed in boxes, 5 kilograms
Butter blend for Puff pastry	Zest	- Used as an ingredient in baking such as Croissant etc.	- Food industry - Confectionery industry, bakery - Fast food restaurant - Bakery shop	- Packed in Bag, 10 kilograms

Main product	Trademark	Product applications	Target customers	Distribution
Butter blend Salted SP Butter blend Unsalted LS1			- Hypermarkets & supermarkets - Convenience stores	
5. Canned fruits and vegetables group 5.1 Canned Vegetable	UFC	- Used as food ingredient and direct consumption	- Food industry - Confectionery industry, bakery - Supermarket - Wholesale store - Foodservices (restaurant & bakery) - Export	- Available in can 15oz., 20oz., and 108oz.
5.2 Canned Fruit	UFC, PTI, Tank, Winner	- Ready to eat fruit in canned format	- Confectionery industry, bakery - Supermarket - Wholesale store - Foodservices (restaurant, café & bakery) - Export - E-commerce	- Available in can 6oz., 8.25oz., 20oz., and 108oz.
6. Beverage group 6.1 Beverage	UFC, UFC Refresh, UFC Velvet, HomeSoy	- Ready to drink, 'Health & Wellness' consumer product	- Confectionery industry - Wholesale store - Hypermarkets & supermarkets - Convenience stores - Foodservices (restaurant, café & bakery) - Convenient store - Export - E-commerce	- Available in can 6oz., and 8oz. - Available in UHT 180ml., 200ml., 250ml., 500ml., and 1L. - Available in plastic bottle 300ml.
7. Sauce & Seasoning group	UFC Masterfoods	- Used as food ingredient	- Supermarket - Wholesale store - Restaurant - Export	- Available in glass bottle 340g., 350g., and 850g.

Main product	Trademark	Product applications	Target customers	Distribution
8. Flour and Bakery ingredients group				
8.1 Bread flour	Zest Golden leaf	- Used as an ingredient in making bakery	- Confectionery industry, bakery	- Packed in bag, 22.5 kilograms
8.2 All purpose No.2	Golden leaf	- Used as an ingredient in making bakery	- Confectionery industry, bakery	- Packed in bag, 22.5 kilograms
8.3 Cake Flour	Unipresident	- Used as an ingredient in making bakery	- Confectionery industry, bakery	- Packed in bag, 2 kilograms
9. Spices and Herbs group Sauces and condiments / Spices	Masterfoods	- Used for direct consumption - Used as a condiment	- Hypermarkets & supermarkets - Restaurants	- Packed in bottle, 5, 7, 10, 16, 18, 20, 25, 26, 27, 28, 30, 35, 37, 38, 40 grams
10. Pasta group	Naturel organic	-Used for direct consumption	- Hypermarkets & supermarkets	- Packed in bag 500 gram/bag
11. Soup group	UFC Soupe	- Direct consumption	- Hypermarkets & supermarkets - Convenience stores - Restaurant - Export - E-commerce	- Available in plastic cup 150 g
12. MISC Food Items Organic Rice (Jasmine Brown Rice / Riceberry/ RD 43 Rice)	Naturel organic	- Used for direct consumption	- Hypermarkets & supermarkets - Convenience store - Wholesale store - Restaurants	- Packed in bag 1 kilogram
13. Household care products	Bio-home	- Clean the house, divided into dishwashing, surfaces and utensils cleaning, clothes washing	- Supermarket - E-commerce	- Available in biodegradable plastic bottle, 500ml., and 1.5L. - Available in plastic pouch 450ml

Product Overview and Factors

Industry structure of oil palm and palm oil consists of three major parts which are (a) palm growers, (b) crushing mill, and (c) refinery and downstream industries. A change in each part affects one another. Over the past decade, there has been an additional demand in palm oil for Biodiesel production, in some years causing an imbalance condition between Biodiesel demand and palm oil supply for consumption, affecting palm oil price.

Other external factors that influence domestic price include global pricing, prices of other vegetable oils that can be substituted, and uncontrollable factors e.g. climate which directly affects the FFB output in each season. In the past, a competition in the market of raw material was mainly on pricing which always led to the price volatility. Besides, the change in the selling price of finished goods also depends on competitors' prices and government policies.

Among all vegetable oils, palm oil is the most commonly consumed. It also has the lowest production cost. Thailand is the third largest palm oil producer, accounting for less than 4% of global production, far behind Indonesia and Malaysia. Indonesia and Malaysia currently have oil palm harvesting areas of around 100 and 35 million rai respectively; Thailand has around 6.25 million rai, about 86% of which is located in southern provinces due to the weather suitability.

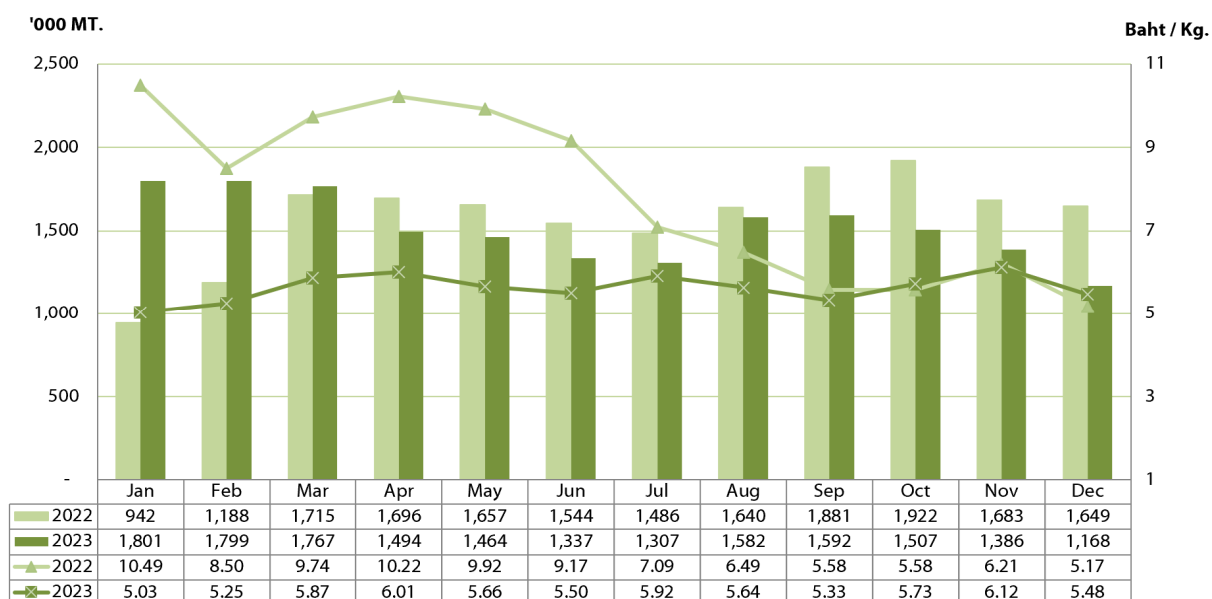
Marketing and Competition

(a) Palm Growers

Almost all oil palms are harvested as FFB to produce palm oil with a small proportion being used as seeds. The increase in oil palm output mainly came from an increase in harvesting area. The oil palm production expanded consecutively from 45,890 MT in 1977 to 1.3 million MT and 18.2 million MT in 1991 and 2023. Thailand doesn't import FFB.

The supply of palm fruit in Thailand during the past 2 - 3 years was supported by 1) favourable climate, having continual rainfall, thus enhancing yield per rai, 2) significant expansion of harvested area to meet the government's target of yearly expansion of 10 million rai by 2029, and 3) an influx of maturing oil palms (over 8 years) planted earlier producing high yields. Hence, FFB output each year in the Kingdom has improved. However, in 2023, FFB output declined due to the dry weather and lower yield attributable to farmers reducing fertiliser applications resulted by high fertiliser price in 2022.

In 2023, monthly FFB output ranged from its peak at around 1.8 million MT in January and to its lowest of 1.2 million MT in December. The annual average FFB price in 2023 was at 5.63 Baht/Kg (2022: 7.85 Baht/Kg), with the highest monthly average at 6.12 Baht/Kg in November and lowest at 5.03 Baht/Kg in January.

Figure 1 : Monthly FFB Output and FFB Price (OER 18%)

Source : Department of Internal Trade

(b) Crushing Mills

Palm oil extracted from a crushing mill consists of CPO and CPKO. CPKO is extracted only from large-scale crushing mills that separate Palm Kernel from FFB. For small-scale crushing mills, palm oil is extracted from FFB without separating Palm Kernel, resulting in a mixed CPO.

Residual materials from the crushing process include palm fiber, palm shell, and empty bunch. Crushing mills utilise palm fiber and palm shell as the fuel for boiler to generate electricity for internal usage. Palm shell can be used as fuel to replace petroleum oil. Crushing mills sometimes sell palm shell instead of using it as the fuel for boiler; hence adding value to the industry. In some crushing mills, boiler is modified to use not only palm fiber but also empty bunch as fuel. Renewable energy from such Biomass lessens petroleum usage. Wastewater from the crushing process of CPO can also be used to produce biogas, which helps in treating wastewater and produces alternative energy. This can lower CPO production cost as well as conform to the government's energy conservation policy.

The number of CPO crushing mills has increased from 91 in 2013 to about 128 mills at present (of which only 108 mills are still in operation), giving rise to a current total milling capacity of about 35 million MT of FFB per year. This is significantly higher than the FFB output recorded in 2023 at about 18 million MT; capacity utilisation rate of crushing mills was about 50%. Because of the significant imbalance between demand and supply, there is an intense competition to buy FFB from farmers to minimise the production cost, perhaps ignoring the quality, leading to price volatility and compromising FFB quality, ultimately hindering the development of the palm oil industry in Thailand.

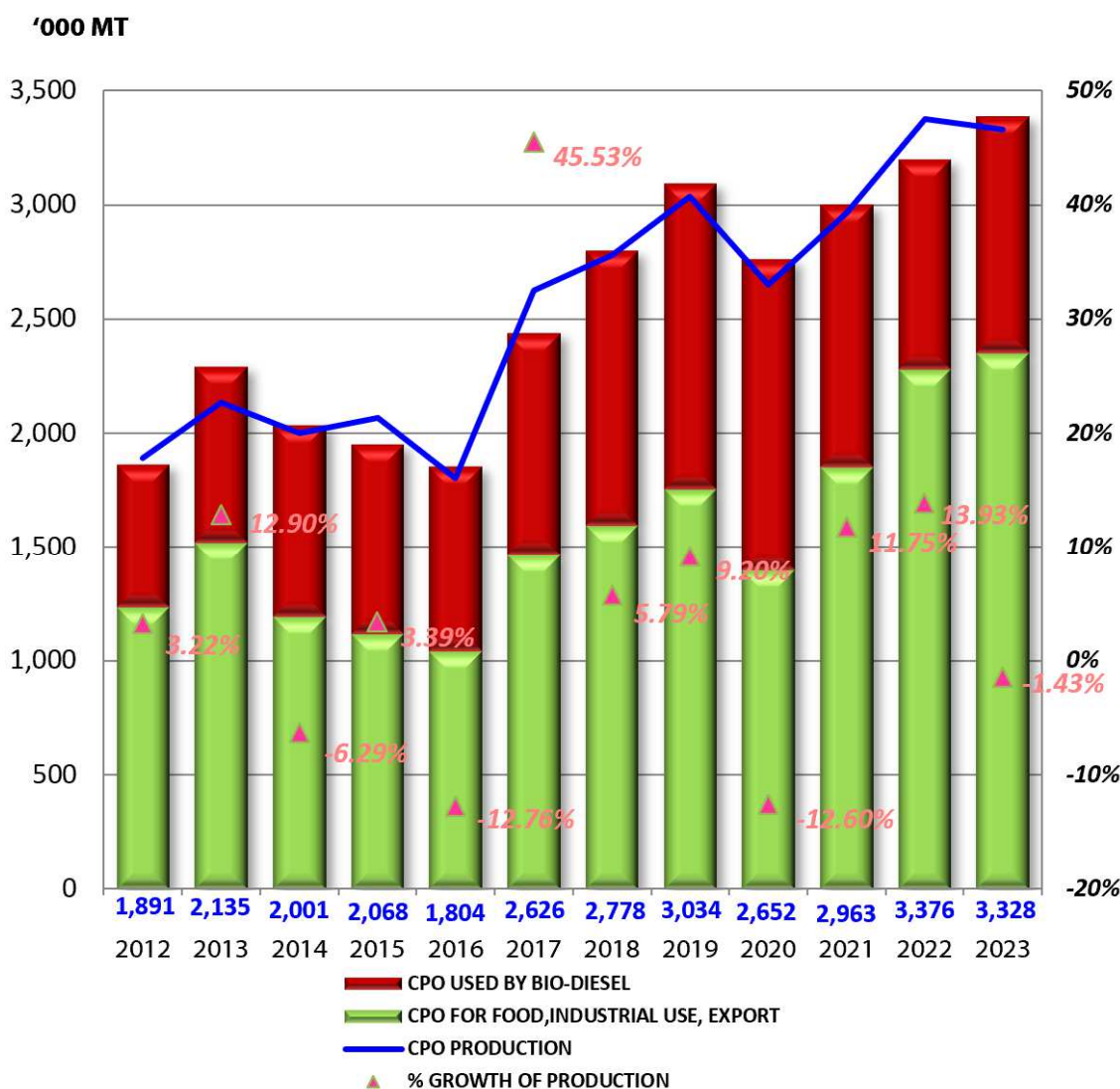
Supply

Each year was characterised by volatility in crude palm oil supply, depending on FFB output each season. Total CPO production in the Kingdom in 2023 was 3,327,808 MT, similar level to 2022 (2022 : 3,375,922 MT). The monthly volume was highest in March at 327,842 MT and lowest in December at 211,812 MT. For the first quarter of the year, both FFB and CPO output were at the highest with CPO stock nationwide at the end of January surging to nearly 400,000 MT, exceeding the optimum level by 150,000 MT.

Demand

In 2023, the demand for CPO for consumption in Thailand increased from 2022 due to the country fully reopening and the return to normal business operations especially the restaurant industry driven by the rebound in the tourism sector. Furthermore, the measure to adjust the formula of biodiesel production from B5 to B7 since October 2022 also increased the demand for palm oil. In 2023, demand for CPO for consumption and other industries was 1.45 million MT, increasing by 15.84% from 1.25 million MT in 2022, and demand for CPO for renewable energy amounted to 1.03 million MT, up from 0.92 million MT in 2022 by 12.58%.

Figure 2 : CPO Usage in Thailand



Source : Department of Internal Trade

CPO demand in the Kingdom was shared between :-

(MT)	2022	2023	% Change
Consumption and others	1,250,824	1,448,988	15.84
Biodiesel	919,020	1,034,631	12.58

(c) Refinery and Downstream Industries

The downstream processing capacity of palm oil in Thailand is mainly as follows:-

1. *Refineries* : There are a total of 22 refineries in Thailand giving a current refining capacity of about 2.5 million MT of input per annum. The capacity utilisation is estimated at 70%. When compared with a large number of crushing mills, there are fewer players because of entry barriers for newcomers in the form of huge capital investment cost, know-how, and technology. Nevertheless, competition among refineries started to intensify in recent years as the players apply price strategy in an attempt to gain market share.

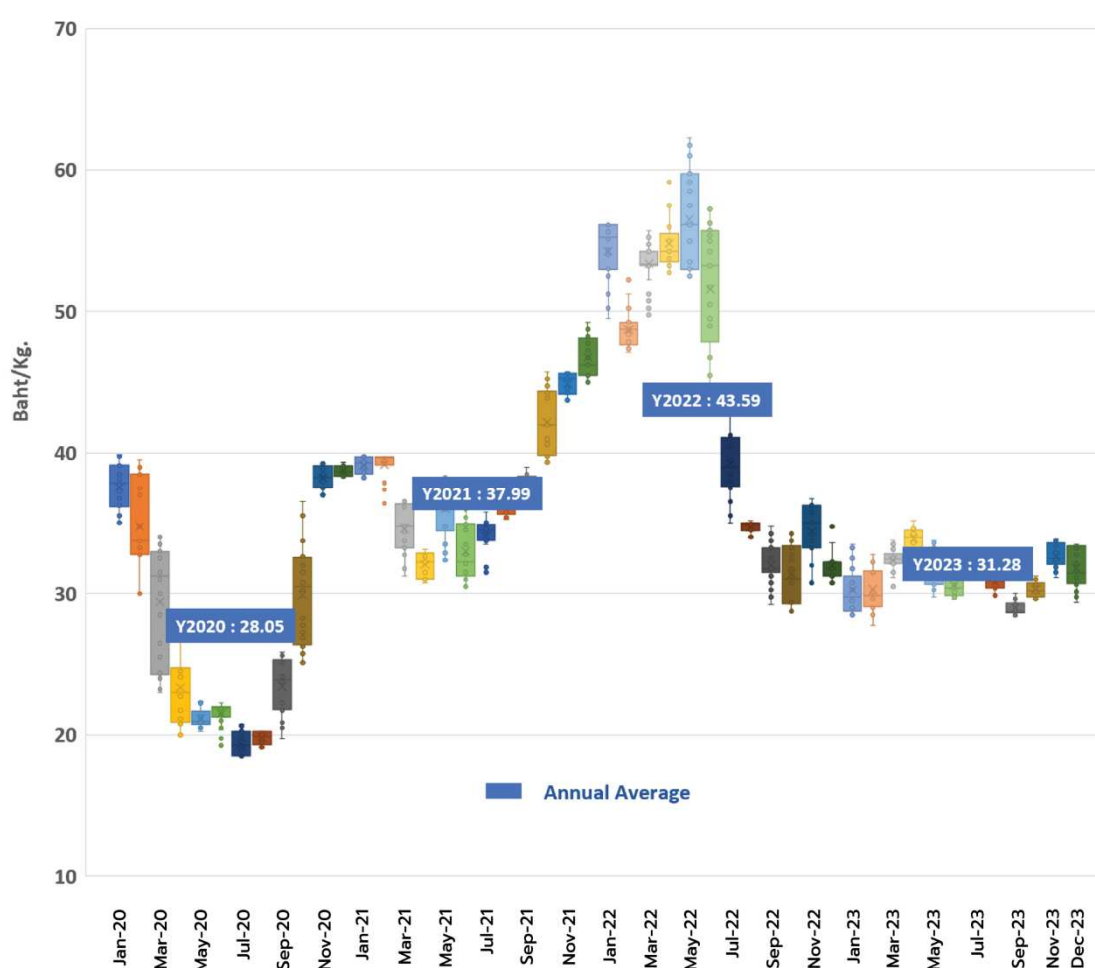
2. *Biodiesel Plants* : Thailand has 15 fatty acid methyl esters plants with a total production capacity of approximately 10.26 million liters/day. 70% of the production cost derives from CPO and the remaining 20% is chemical costs, and 10% of operating costs. During the year 2022, there were several factors aggressively pushing up palm oil price. Therefore, the Government solved the problem by adjusting the formula of biodiesel production from B7 to B5 resulting that the usage of palm oil itself to blend for biodiesel was dropped to less than 1 million MT in 2022. However, the situation of crude palm oil price in 2023 declined to normal level with crude palm oil stock nationwide improved, the Government resumed implementing B7 since the end of 2022 until at present. As a result, demand for CPO for blending in biodiesel in 2023 increased to over 1 million MT. In long term, the growth of electric vehicles is to be monitored as it might affect the demand for biodiesel. The registration of electric cars throughout the country in 2023 of the Government fiscal year (between 1 Oct. 2022 – 30 Sep. 2023) was recorded at 73,341 (increasing from previous fiscal year by 58,645), representing 399.05% growth from 2022. The Ministry of Energy aims to produce electric cars at 30% of total production by 2030. This will cause the demand for fuel including biodiesel, to reduce in the future. As a consequence, it is likely that in the future Thailand's palm oil industry has to face an oversupply situation. The country then has to greatly rely on exports.

In 2023, since having the gap between CPO price in Thailand and the world market in particular periods, especially during the first quarter, Thailand was able to export CPO and its products continually from 2021. In 2023, the total export volume of CPO was at 905,685 MT, compared with 618,839 MT and 1,031,281 in 2021 and 2022, respectively.

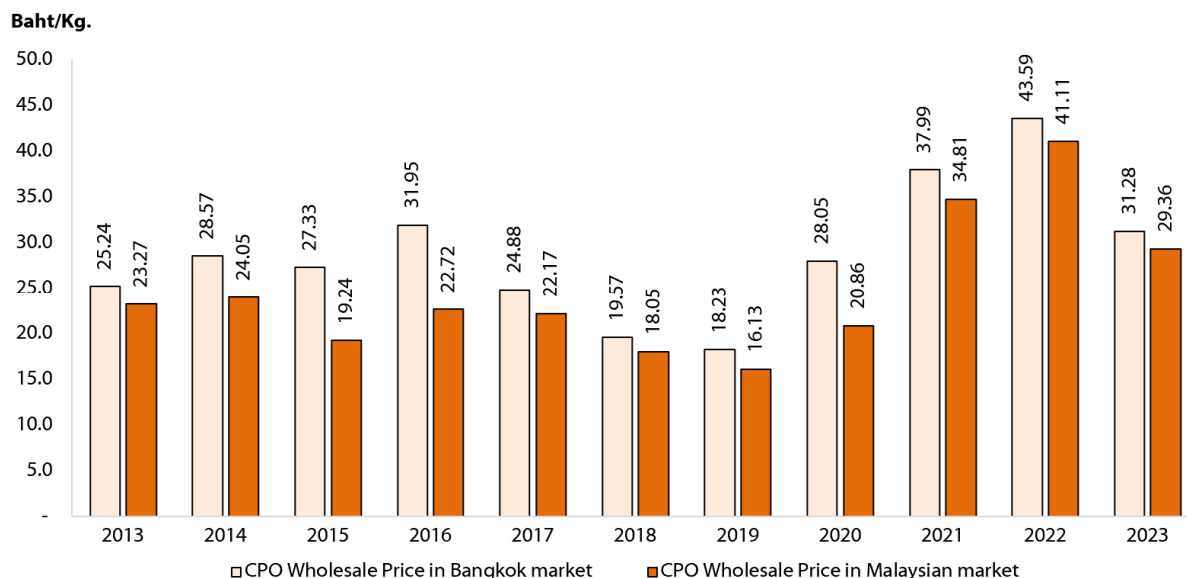
FFB and CPO price

Local prices of oil palm and palm oil depend on the output, usage volume, and CPO stock in nationwide, including the situation of palm oil price in world market as well as prices of other vegetable oils that can be substituted. Monthly CPO price in the Kingdom in 2023 varied between 28.98 – 33.91 Baht/Kg (2022 : 31.35 – 56.52 Baht/Kg). The annual average CPO price was 31.28 Baht/Kg., 28.24% decrease from 2022 (2022 : 43.59 Baht/Kg). CPO price in the Kingdom had reached its lowest in September and highest in April. The average price gap from the global market was at 1.92 Baht/Kg (2022 : 2.48 Baht/Kg).

Figure 3 : Monthly Average CPO Wholesale Price in Bangkok Market

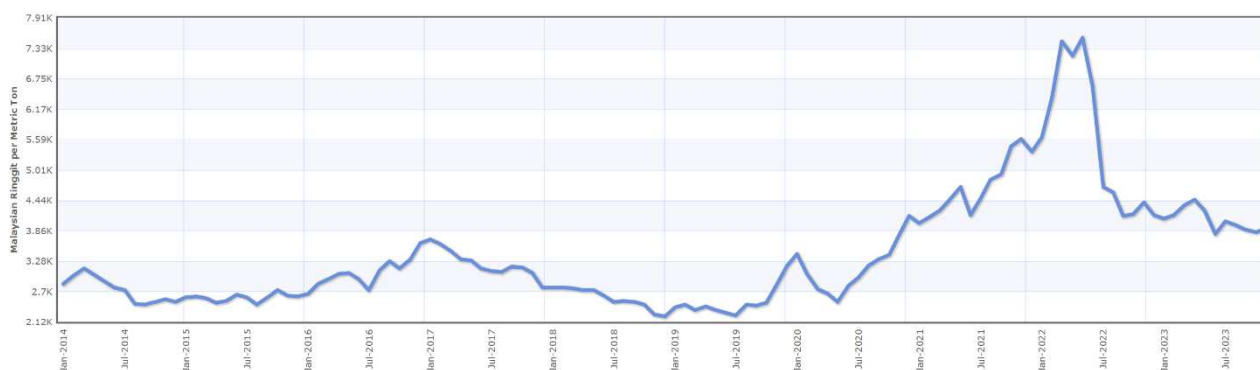


Source : Department of Internal Trade

Figure 4 : Comparison of CPO Wholesale Price Between Bangkok and Malaysian Market

Source : Department of Internal Trade

From the graph, it can be seen that in 2023, the average domestic CPO price had decreased considerably in consistence with global price movements, especially in the first 4 months of the year. The average spread compared to the world market has narrowed. As a result, in some months, producers can export CPO.

Figure 5 : Malaysian Palm oil Monthly Price

Source : <https://www.indexmundi.com/commodities/?commodity=palm-oil&months=120¤cy=myr>

In 2023, palm oil price in the world market was less volatile compared with 2022 with the highest CPO price at 4,370 ringgit per MT. on 10 April due to the sharp decrease of palm oil inventory in Malaysia. Furthermore, there was a concern during the beginning of the year that output was expected to decline in 2023 due to climate phenomenon. Nonetheless, when approaching the crop season in Malaysia and Indonesia during the second half of the year, market had less concern about output. As such, the world CPO price fell to the bottom level at 3,300 ringgit per MT on May 31, 2023.

Indonesia, the world's No. 1 exporter of Crude Palm Oil, continuously enforced the policy to protect domestic supply, requiring manufacturers to reserve products for domestic consumption first (Domestic Market Obligation-DMO). This was to stabilise the palm oil price for domestic consumption particularly. Indonesia also set the blending ratio of palm oil in diesel at 35% or B35, taking effect on 1 January 2023.

Industry Trend and Competition Outlook

In 2024, the overall palm oil industry is expected to expand aligning with the domestic and international demands, especially from the food and oleochemical industry that growing in line with the continuous economic recovery from reopening countries after the COVID-19 subsided since 2022. However, the biodiesel industry is expected to maintain. The demand for palm oil consumption within the Kingdom is estimated at approximately 1.2 – 1.5 million MT, the demand for palm oil for biodiesel production at approximately 1 million MT.

The Office of Agricultural Economics forecasted the harvested area in 2024 at 6.38 million rai, compared with 6.25 million rai in 2023. However, the overall production output in 2024 might not be changed from 2023, being around 18 – 19 million MT as inadequate rainfall and dry weather conditions in early 2024 mean output per rai expected to decrease compared to 2023.

Other factors affect the palm oil industry in the long term include the Euro 5 standard fuel enforcement policy since 2024 to solve the problem of particulate pollution as well as government policies to promote electric vehicles (EV) to reduce emissions are likely to reduce the use of biodiesel and CPO for biodiesel production in the future.

In addition, the major projects and measures implemented by the government sector to enhance market equilibrium and maintain price stability include:-

1. On 11 February 2020, the Cabinet approved measures to manage the supply of palm oil across the industry. The government budget of 372.5 million Baht was allocated for the installation of measuring devices in CPO/CPKO storage tanks (size of 1,000 MT or more) to monitor inventories in the Kingdom. The project which has been administered by the Department of Internal Trade, was already completed in January 2023.
2. The Income Insurance Scheme for oil palm growers in 2022 – 2023 was launched with funding at 3,133.17 million Baht to support the growers when facing the over-supply of oil palm crops and the price decreasing to below the guaranteed price (4 Baht/Kg. for 18% of Oil Extraction Rate). The Scheme was applied to the households who operate plantation area up to 25 rai with at least 3 year-old productive palm trees.
3. The government has established a CPO Export Promotion Scheme to alleviate problems with the domestic over supply. This aimed to export 0.15 million MT. of CPO by providing financial support worth 2 Baht/Kg. for the administrative expenses. This would apply when domestic stocks rise above the target level of 0.30 million MT. (the minimum stock level set at 0.25 million MT.) and domestic price is higher than that of global market. The budget of 309 million Baht was approved for this purpose.
4. The government plans to add value to the oil palm and palm oil industry by setting eight targeted product groups, namely: (i) base lubricant products; (ii) bio transformer oil; (iii) environmentally friendly detergents (these are based on methyl ester sulfonate); (iv) bio lubricants and bio greases; (v) paraffin; (vi) pesticides and insecticides; (vii) bio hydrogenated diesel (BHD); and (viii) bio jet fuels.

In view of such developments, the context of palm oil will be forced to change from cheap and environmentally damaging vegetable oil to the production of palm oil certified to sustainability and traceability standards. In addition, increasing the value of palm oil for use as raw material for producing environmentally friendly bio-products and promoting the high valued oleochemical industry to replace the demand for CPO for biodiesel production tends to decrease in the future.

However, a direction of palm oil industry in terms of development and evolution to a high level is unclear. A systematic extension to various downstream industries requires high capital investment to generate economies of scale. Currently, excess supply of palm oil left over from domestic consumption has increased. However, the volatility of palm oil quantity and price remains problematic and threatens market equilibrium and further developments.

Number of Competitors and Company Size Compared to Competitors

Currently, the harvested oil palm plantation area in the Kingdom is about 6.25 million rai, most of which 86% is in the southern region due to the favorable climate. Since 2016, there has been a continuous expansion of oil palm plantation areas, resulting in a significant increase in the total amount of FFB in the country, especially from 6 provinces namely Surat Thani, Krabi, Chumphon, Nakhon Si Thammarat, Trang and Phang Nga. The volume of FFB output in 2023 amounted to 18.2 million MT (2022 : 19 million MT) and is expected to maintain around 18 – 19 million MT in 2024.

Palm oil factory can be divided into three types i.e. crushing mill, refinery, and biodiesel plant. Most of the crushing mills are located in the southern region, with 128 plants in total but only 108 plants are still in operation, with a total production capacity of 30-35 million MT - FFB per year.

For most refineries located in Bangkok and its vicinity, there are 22 plants with a total production capacity of 2.5 million MT of raw material per year, most of which are large plant and the capacity utilisation rate at about 70%. The Company's refinery has a production capacity of 255,500 MT of CPO per year, which is considered a large refinery. The crushing mill has a capacity of 45 MT - FFB per hour.

There have been 15 biodiesel plants, with capacity of around 10.26 million liters per day. However, at present, the Company has not operated the biodiesel plant.

Competitive Potential

The Company has been operating business in the palm oil industry for more than 49 years and constantly developing machinery and production technology, including research and development of products, thereby giving the Company a high competitive position and potential, which include improving the production system of the Margarine and Shortening plant, as well as focusing on the secured sourcing of raw material by supporting the integration of smallholder farmers, and the improvement and development to increase the efficiency of the CPO production process at the Trang Crushing Mill. In addition, the Company has been certified by the Good Hygiene Practice (GHP), the Hazard Analysis Critical Control Point system (HACCP), food safety quality assurance system (FSSC22000) and ISO 9001, ISO 14001, ISO45001, TLS8001, ISO/IEC17025, HALAL Food quality assurance system, Kosher quality assurance system, organic agriculture system and the Roundtable on Sustainable Palm Oil

(RSPO) through supply chain from plantation, crushing mill, until refinery, thereby enhancing the Company's sales potential. The Company also uses a SAP system that can provide fast and efficient information of inventory to respond quickly to customers and executives use information for making decisions.

The Company is a major shareholder of United Palm Oil Industry Public Company Limited, the owner of one largest palm oil plantations in the Kingdom, enables the Company to operate a fully integrated business and track the quantity of FFB output each season closely, this will affect the market price of FFB and CPO, which is the main raw material of the Company. Moreover, being a major shareholder of Universal Foods Public Company Limited (UFC) has resulted in the Company having a wider variety of products while having similar distribution channels, allowing the Company to use its resources effectively and also reduce operating costs as well.

Marketing Policy and Strategies

In 2023 when aftermath COVID has become "Next Normal", consumer behavior obviously becomes more and more sophisticated; demands and expectations totally changed. The world of marketing business has entered a new era. It is truly an era of change.

The part of lifestyle of spending a lot of time on digital media each day has not decreased to the level of before. On the other hand, people are learning to use the online world to build their identity. The self joys to post and share their activities, some have become the content creator themselves. The Company, therefore, continues to invest in public relations in digital channels by presenting benefits and usage (application) of the Company's products through the creation of interesting content by creators to satisfy the needs of the target group and build engagement with consumers in social media i.e. Facebook, Tiktok, Youtube, etc.

Today people are paying more attention to health than ever before. This created consumer food trends that occurred in the Next Normal era, such as eating clean food, finding organic food which origin can be traced, or choosing to eat Plant Based Meat which has become even more popular. The Company therefore offers organic products as an alternative for consumers, such as pasta and rice, under the brand "Naturel", and increases the convenience of being available in many distribution points throughout the country.

Marketing communications at the store level has continued throughout 2023, aiming to strengthen the brand position in consumers' mind remember through In-home and Out-of-home media. To create customer engagement, the "Lam Soon Bakery Workshop" events that organised in all regions every year had received satisfactory feedback. The event allowed real users to experience the application of "Zest bread flour", "Golden Leaf AP Flour", "Zest butter blend", in trendy bakery menus that able to generate income and profits from good quality at reasonable price for the local entrepreneurs.

In addition, point of sales activities are continuously organised in department stores for all of the Company's products categories, such as sales promotions, discounts, product demonstration and tastings, free gifts, etc.

Target Market

For the past 3 years, the Company has not sold any products to any single customer that accounted for more than 30% of total sales revenue.

Customers of the Company can be classified into 4 groups based on their intended use of the products as follows:

1. *Modern Trade*

In 2023, Thailand's retail business trend remains supported by a 4% average annual growth from purchasing power that is expected to be recovered in line with Thailand economic situation supported by forecast GDP growth of 3.0-4.0% per annum that will feed into a strengthening of consumer spending power. The rebound in the tourist sector and the return of tourist arrivals to their pre-Covid level, supported by Thai Government Promotes Tourism with a 30-day Tourist Visa Exemption Scheme during the fourth quarter of 2023, including the progress of infrastructure investment, which is expected to increase growth and spread prosperity even more significantly.

However, retail business competition will intensify. Modern trade sector will continue with their strategy of building out new branches developing new format such as lifestyle shop, providing more premium products, including encouraging technology by focusing on the development of the Omni channel platform and using 5G and AR technology to create a good experience with consumer. In addition, there is still continued expansion of branches in provinces with potential purchasing power and new business format such as Go Wholesale (CRC Retail) along with the development of sales formats through digital platform channels to provide more convenience and great experience to consumers.

2. *Traditional Trade*

In 2023, the Covid situation in Thailand has been relieved. As a result, the tourism sector and consumer spending activities have begun to return to similar to the 2018-2019 period, making traditional trade channel continue to grow. However, there are still many factors that stimulate high competition in traditional trade channel. There are new entry of competitors in palm oil, margarine, shortening, including healthy oils, causing the Company to focus more on the development of distribution channel to be strong, fast and increase more detail of market coverage. In 2023, there were 2 key growth drivers for the Company's traditional trade channel as follows:

1. Distribution expansion:

There has been a consistent focus to drive distribution, especially for wholesalers and medium-sized retailers, so that the products are more distributed in the market and prevent the occurrence of expired products and reduce business risks such as bad debt.

In addition, there is an initiative on collaboration development with local supermarket to achieve efficiency in product handling and sales performance.

2. Product development for bakery channel:

The bakery channel is still the main focus and continues development. The Company provides a bakery solution to answer the needs of customers in many different forms of products which includes margarine, shortening, butter blends, and wheat flour. The Company also provides a team of chefs who support and advise bakery knowledge to customers.

For the premium oil market “Naturel brand”, the Company continues to increase distribution channels to capture the health-conscious consumer group which continuously grow in the traditional market for many years.

3. Food Service

In 2023, Food Service business still maintain business since tourism has not fully recovered. Some restaurants, hotel operators, nightclubs, catering and airlines business can't recover business to their pre-Covid level. There is strong demand for ready-to-eat bakery products so the Company continues to concentrate on creating high-quality & convenience product that could satisfy expectations of bakery business owners, this demand had a positive impact 30% growth compared to last year. The positive momentum of bakery business could be turning point for food entrepreneurs in Thailand and benefit to our business in the near future.

4. Industry

In 2023, the industrial channel has continued to grow. The Company still focuses on working with customers by initiating and developing products to be in line with customer needs in each industry group. The main products are still oil and fats.

In addition, the Company has continuously developed the quality and standards of products in the vegetable oil and fat group has allowed the Company to maintain and create new customer base effectively throughout the past year.

Distribution and Distribution Channels

The Company has had its distribution networks through various channels including modern and traditional channel, food service channel, industry, online and export channels which mainly cover and effectively serve needs of key customers thoroughly.

Proportion of Domestic to International Sales in Last 3 Years

	2023	2022	2021
Domestic Sales	96.84%	95.64%	96.60%
International Sales	3.16%	4.36%	3.40%

Most of palm oil products are sold domestically whereas the export is mainly for secondary or by-products, which are sold through brokers which have the head office located in Singapore. Export markets include China, India, Malaysia, Bangladesh, Pakistan, etc.

Product Procurement

Product Highlights

Yok Extra Products

In 2023, the global trend is about health and well-being. Yok Extra is a very critical building block brand to additionally provide a healthy offer to our consumers who are becoming more and more health conscious. We've foreseen these opportunities and have implemented a 360° communication strategy through online and offline platform to promote Yok Extra products. We have utilized a variety of media to effectively capture and engage with target audiences. We would like to cover all customers and consumers' touchpoints to increase brand awareness. For online, we had new channel opening in Tiktok (@Yokkitchen) and had done many activities on ground like joining THAIFEX - Anuga Asia2023, Makro HORECA and sampling activities in key stores.



Naturel Products

The premium range of “Naturel Olive Oil” product imported from Spain was the highlight of the second half of 2023. The marketing budget was invested to increase brand awareness in a wider prospect target group through comprehensive marketing activities both online and offline channels. Health lovers who are fond of eating European food.

Naturel olive oil presented in the most popular cooking competition TV show “Iron Chef Thailand” to reinforce the brand leadership in the premium oil market.



Another healthy product line, “Naturel Organic Pasta”, was ensured its organicity by the renown leading European and American institutions. We imported deliciousness with original flavors from Italy. During the 4th quarter there were public relation activities on the online channel along with many in-store marketing activities.



Velvet Oat Milk Chocolate 1,000 ml.

In 2023, with the tremendous growth of plant-based milk category, UFC Velvet introduced 2 new variants: Coconut milk with chocolate and Oat milk with chocolate in a convenient 1,000 ml. Prisma pack with premium chocolate. It is good for health. The products are available in supermarkets and hypermarkets in TH and exports markets i.e. Singapore, Malaysia, UK, etc.



Product Sourcing

The Company's major products are refined palm oil products and other derivative products. The Company operates its own production from CPO and CPKO by which the Company procures raw materials from the crushing mill in Trang, which is the Company's own plant, including the purchase of raw materials from United Palm Oil Industry Public Company Limited, a subsidiary. The rest is the purchase of raw materials from other crushing mills from outside.

For other types of vegetable oil products, including derivative products, the Company has both own production, import from abroad and buy from domestic manufacturers for further production and distribution.

Manufacturing

At present, the Company operates 2 factories namely: -

1. Crushing Mill is located at 99/9 Moo 2, Sikao-Kuankun Road, Kalasae Sub-District, Sikao District, Trang 92150.

	2021	2022	2023
Production capacity (Unit : MT-raw material)			
Crude Palm Oil (CPO)	394,200	394,200	394,200
Crude Palm Kernel Oil (CPKO)	36,792	36,792	36,792
Utilised Capacity (Unit : MT-raw material)			
Crude Palm Oil (CPO)	201,072	196,506	123,068
Crude Palm Kernel Oil (CPKO)	10,210	9,940	6,558
Utilisation Rate (%)			
Crude Palm Oil (CPO)	51.01	49.85	31.00
Crude Palm Kernel Oil (CPKO)	27.75	27.02	18.00
Increased Rate of Production Volume (%)			
Crude Palm Oil (CPO)	26	-2	-37
Crude Palm Kernel Oil (CPKO)	25	-3	-34

- Note :**
1. Number of production shifts are at 3 per day at maximum.
 2. Number of actual production shifts are at 2 or 3 (8 hours for each shift) per day depending on volume of palm fruit.

2. Refinery of Palm Oil located at 236 Moo 4, Bangpoo Industrial Estate, Sukhumvit Road, Phraeksa Sub-District, Muang Samut Prakarn District, Samut Prakarn 10280.

	2021	2022	2023
Production capacity (Unit : MT-raw material)			
Refinery	255,500	255,500	255,500
Fractionation	262,800	262,800	262,800
Hydrogenation	43,800	43,800	43,800
Margarine and Shortening	35,040	37,824	40,880
Utilised Capacity (Unit : MT-raw material)			
Refinery	193,390	192,368	218,829
Fractionation	101,146	96,288	112,800
Hydrogenation	22,300	22,999	23,755
Margarine and Shortening	13,523	14,615	15,671
Utilisation Rate (%)			
Refinery	76	75	86
Fractionation	38	37	43
Hydrogenation	51	53	54
Margarine and Shortening	39	39	38
Increased Rate of Production Volume (%)			
Refinery	12.22	-0.53	14
Fractionation	27.32	-4.80	17
Hydrogenation	7.33	3.13	3
Margarine and Shortening	-3.47	8.07	7

- Note :** 1. Number of production shifts (for each production line) are at 3 per day at maximum.
2. Number of actual production shifts
- Refinery, Fractionation, and Hydrogenation operate at 3 shifts per day (8 hours for each shift);
- Margarine and Shortening operate at 1 or 2 shifts per day (8 hours for each shift), depending on the requirement from customers for each month.

Raw Material Sourcing

CPO is an important raw material for the Company's products, accounting for approximately 85% of the production cost. The main raw material for CPO production is FFB. FFB consists of two major parts that provide oil, namely, the pericarp for the CPO and palm kernel to provide CPKO. The oil extraction rate will be more or less depending on the palm varieties, rainfall, maintenance and crushing process. On average, the pericarp contains 17-20% of oil, while the palm kernel at 40-45%.

FFB used in the production of CPO is obtained from the palm plantations of small - large farmers and private entity who collect FFB and sell out further. The Company purchases FFB to produce CPO at Trang Crushing Mill. Then the CPO will be transported as raw material to Bangpoo Refinery at Bangpoo Industrial Estate to be produced to refined palm oil.

Part of CPO used in the production of the Company's products is obtained from the Company's own crushing mill in Trang, and the rest is purchased from other crushing mills all over the Kingdom. However, the Company has a policy of not relying on any supplier, in order to guarantee the sufficiency of raw materials used in production. During the past 3 years, the Company has not purchased raw materials from any supplier whose value exceeds 30% of the total raw material purchase value.

Problem with Raw Material

As mentioned earlier, presently Thailand still faces the problem of insufficient FFB output compared to the production capacity of crushing mills across the country. As a result, there are stiff competitions to purchase FFB from growers to reduce production cost regardless the quality control of raw materials.

Although Thailand has the potential to develop the oil palm industry, the development of palm oil utilisation remains limited as the oil produced is mainly used for consumption and biodiesel production. Low yield per rai affects palm planting costs. The development of oil palms to achieve high yields requires proper and systematic management, especially the good management of oil palm plantations, which is an activity that requires high investment and conforms to technical principles. Therefore, if considering the structure of the palm oil industry in the Kingdom, it is found that still inferior to that of Malaysia which is a major producer at all levels of production because Malaysia is a country that has developed palm oil for a long time by developing palm varieties, expanding plantation areas and developing processing industries. In addition, the Malaysian authorities also provide comprehensive assistance to the palm oil industry in the country. The structure of Malaysia's palm plantation comprises 80-90% of major oil palm growers, both public and private sectors, occupying almost half of the country's oil palm plantation area, with average yield of 4-5 MT per rai per year, which can input raw materials to CPO crushing mills and refinery plants as well as the processing industry regularly throughout the year, resulting in lower costs in both the cost of FFB production and palm oil extraction costs. Compared to Thailand's oil palm growers, 80 - 90% are small farmers, the yield per rai is low and the CPO extraction rate is relatively low, only 17-18%, while Malaysia has earned 20 - 22%. In addition, fertilizer use is low due to the lack of funds and technology to maintain and control pests, diseases and insects, the quality of the FFB is not as good as it should be.

Material Substitution

Since the Company has its own crushing mill which uses FFB as the main raw material to produce CPO and CPKO, and further input to the refinery at Bangpoo Industrial Estate accounting to approximately 15-20% of the use of CPO and CPKO. The machinery of the aforementioned crushing mill is only used for FFB as raw material, other cannot be used to produce palm oil product.

As for the refinery at Bangpoo Industrial Estate, the main raw material is CPO, which the Company can use the facility to refine other types of oil such as soybean oil, coconut oil, palm kernel oil, corn oil, sunflower seed oil, canola oil, and rice bran oil, etc.

Suppliers of Raw Material

Currently, there are approximately 128 crushing mills, 108 of which are operating, most of them located near palm plantations in the southern region, with more than 30 crushing mills being added in the past five years. The existing mills also have capacity expansion, which is an important concern causing competition to buy FFB from farmers in order to reduce the production cost per unit as much as possible. The reason why crushing mills are scattered near palm plantations is that when FFB is harvested, it must be sent to the mill within 24 hours, otherwise, the quantity and quality of the oil extracted will decrease.

Proportion of Purchasing Raw Material in the Kingdom and Abroad

In 2023, the proportion of importing raw material was at 3.73% of total raw material purchase value (2022 : 6.16%).

Assets Used in the Business

1) Fixed Assets

As the end of 2023, for the business: Oil palm plantation, CPO and CPKO crushing mill, Palm oil refinery, and Factory manufacturing canned fruit, vegetable, juice, the Company and subsidiaries have fixed assets used in the business as table below.

Asset Description	Value (mil Baht)	Ownership Document
1. Land for palm plantation, area 13,461.84 Rai of subsidiary Allowance for impairment loss	686.09 (8.14)	Title deed, Nor Sor 3Kor, Nor Sor 3
2. Land 5 Plots, area 120 Rai 2 Ngan 44 Sq. Wah located at 2.1 Area 83 Square Wah at 64 Soi Bangna-Trad 25 Bangna-Trad Road, Bangna Nua, Bangna, Bangkok 10260 2.2 Area 74 Square Wah at 60 Soi Bangna-Trad 25 Bangna-Trad Road, Bangna Nua, Bangna, Bangkok 10260 2.3 Area 18 Rai 1 Ngan 23 Square Wah at 236 Moo 4 Bangpoo industrial estate, Muang, Samutprakarn 10280 2.4 Area 100 Rai 3 Ngan 182 Square Wah at 99/9 Moo 2 Sikao-Kuankun Road, Kalase, Sikao, Trang 92150	31.45	Title deed
3. Land for factory,office,staff house 153.10 Rai of subsidiary	0.75	Title deed
4. Office building, factory building, staff house of subsidiary	66.00	Owner
5. Office buildings and factory buildings (located in Bangpoo industrial estate and Trang province) and staff house	120.32	Owner
6. Warehouse	43.10	Owner
7. Machine of palm oil refinery	431.71	Owner
8. Machine of CPO and CPKO crushing mill in Trang	174.31	Owner
9. Machine and equipment of subsidiary	150.69	Owner
10. Vehicle	2.78	Owner
11. Vehicle of subsidiary	39.50	Owner
12. Vehicle of subsidiary	4.82	Owner
13. Furniture and office equipment	37.55	Owner
14. Furniture and office equipment of subsidiary	2.66	Owner
15. Plantation development cost	0.13	Owner
16. Plantation development cost of subsidiary	166.22	Owner

Asset Description	Value (mil Baht)	Ownership Document
17. Lampang factory and land <u>Factory location</u> 64-64/1 Moo 1 Lampang-Chiangmai Road, Muang, Lampang <u>Land location</u> 109 Liap Klong Song Nam Fang Tai Road, Pichai, Muang, Lampang - Land - Lampang factory, area 64 Rai 3 Ngan 51 Sq. Wah - Land - Lampang, area 1,494 Rai 1 Ngan 98 Sq. Wah - Land - Lampang factory, Pongsanthon - Building,building improvement,asset under construction - Machine and equipment	58.25 76.48 1.00 39.05 87.89	Owner Owner Owner
18. Nakornpathom factory <u>Location</u> 469/1 Prapatone-Banpaew Road Moo 3 Donyaihom,Muang, Nakornpathom - Land - Nakornpathom factory, area 31 Rai 57 Sq. Wah - Building and building improvement - Machine and equipment	24.14 87.80 229.23	Owner Owner Owner
19. Chiangmai factory - Machine and equipment	-	Owner
20. Office <u>Location</u> 60 Soi Bangna-Trad 25, Bangna-Trad Road Bangna Nua, Bangna, Bangkok 10260 - Building improvement - Equipment	0.15 2.43	Owner Owner
21. Immature and nursery of subsidiary	2.12	Owner
22. Land possessory rights of subsidiary	-	Owner
23. Asset under construction and installation	120.83	Owner
24. Asset under construction and installation of subsidiary	4.30	Owner
25. Asset under construction and installation of subsidiary	21.17	Owner
Total Fixed Assets	2,704.78	

2) Intangible Assets

Asset Description	Value (mil Baht)
1. Software computer	5.25
2. Software computer of subsidiary	0.25
3. Software computer of subsidiary	0.20
Total Intangible Assets	5.71

3) Non - Operating Assets

Asset Description	Value (mil Baht)
1. Factory building, Maetang, Chiangmai	-
2. Land, Prao, Chiangmai, 27-1-56 Rai of subsidiary	5.48
3. Land, Maetang, Chiangmai, 30-0-94 Rai of subsidiary	21.16
4. Land, Phrapathomchedi, Nakornpathom, 10-1-39 Rai of subsidiary	2.05
5. Land, Muang, Lampang, 361-1-98 Rai of subsidiary	22.30
6. Land, Muang, Lampang, 29-2-90 Rai of subsidiary	9.20
7. Factory building, Muang, Lampang of subsidiary	1.58
Total Non-operating Assets	61.77

United Palm Oil Industry Public Company Limited (UPOIC) commits the rental agreement for oil palm plantation from their subsidiary, Phansrivivat Company Limited. Prachakvivat Company Limited, the subsidiary of Phansrivivat Company Limited, rents royal property of treasury department which Phansrivivat Company Limited utilises this land for palm plantation and grants rights to utilise palm plantation to UPOIC.

Shareholders

As at 10 March 2023, the top ten shareholders are as follows: -

No.	Shareholder's Name	No. of Shares	Percentage of Paid-up Capital
1	Lam Soon Holding Co., Ltd. ⁽ⁱ⁾	345,323,250	42.11
2	Hap Seng Consolidated Berhad ⁽ⁱⁱ⁾	164,000,020	20.00
3	Lam Soon Cannery Pte Ltd. ⁽ⁱⁱⁱ⁾	61,358,060	7.48
4	CGS-CIMB Securities (Singapore) Pte Ltd	52,971,300	6.46
5	LGT Bank (Singapore) Ltd.	38,151,500	4.65
6	Mr. Suwit Laohapolwattana	16,840,456	2.05
7	CGS-CIMB Securities (Hong Kong) Limited	13,255,000	1.62
8	Mrs. Supaporn Samitthinant	9,652,700	1.18
9	Mr. Anan Raveesangsoon	9,134,400	1.11
10	Thai NVDR Company Limited	8,949,780	1.09

Source : Thailand Securities Depository Co., Ltd.

Note :

(i) Lam Soon Holding Co., Ltd. is an investment holding company. As at 31 December 2023, shareholders holding not less than 10% of Lam Soon Holding Co., Ltd. are as follows:-

No.	Shareholder's Name	Percentage of Paid-up Capital
1	Bangkok Edible Oil Co., Ltd. (Bangkok Edible Oil Co., Ltd. is an investment holding company in which 49 percent of shares are held by Mr. Whang Shang Ying.)	50.00
2	Mr. Whang Shang Ying (Mr. Whang Shang Ying does not own any shares in LST)	49.00

(ii) Hap Seng Consolidated Berhad is an investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad. The major shareholder of Hap Seng Consolidated Berhad is Gek Poh (Holdings) Sdn Bhd, whose aggregate shareholdings as at 31 December 2023 was 62.64% comprising direct and indirect shareholdings of 54.63% and 8.01% respectively.

(iii) Lam Soon Cannery Pte. Ltd. is an investment holding company. As at 31 December 2023, its shareholders are as follows:-

No.	Shareholder's Name	Percentage of Paid-up Capital
1	Mr. Whang Shang Ying	80.71
2	Ms. Whang Yee Ling	13.86
3	Ms. Chen Mu Hsien	5.43

Registered and Paid-Up Capital

The Company was transformed to public limited company on 27 October 1995 and listed in the Stock Exchange of Thailand (SET) on 20 June 1996 under stock symbol “LST”.

As at 31 December 2023, the Company had the registered and paid-up capital amounting to 820 Million Baht with outstanding common shares at 820 Million shares (par value of 1 Baht).

Dividend Payout Policy of the Company and Subsidiaries

The Company’s policy is to pay dividends to shareholders of an amount not less than 40% of its net earnings after tax subject to the Company’s future investment and funding requirements. The Board of Directors passed a resolution to propose the payment of dividend for the operational period of 2023 at the rate of 0.25 Baht/share representing 58.03% of net profit after tax, compared with that of 2022 at 0.19 Baht/share representing 58.62% of net profit.

United Palm Oil Industry Plc. pays dividends at approximately 50% of net earnings after tax, depending on the company’s performance and economic situation.

Universal Food Plc. set a dividend payout ratio at not less than 40% of its net earnings after tax subject to the company’s future investment and funding requirements.

2. Risk Management

Risk Management Committee

The Board of Directors realised the importance of the Risk Management. Therefore, in 2016, the Board approved to formalise the Risk Management Committee comprising senior managements and Managing Director being the Chief Risk Officer. Duties and responsibilities of the Risk Management Committee were presented in under **“Corporate Governance”**. The Management then has to evaluate the risk in every unit and work process, assess the efficiency and existing control measure, and propose plan and method to reduce risk to the Board of Directors, which is considered by Audit and Corporate Governance Committee.

Control System of Utilising Insider Information

The following policy and guidelines of the Company prevents the Executives from utilising insider information of the Company for personal gain:

1. Directors and Executives are obliged to report to the Board on each person’s securities holding and the holding of securities in the Company by his spouse and minor children. This includes penalty provisions under the Securities and Exchange Act B.E. 2535 and the regulations of the Stock Exchange of Thailand;
2. Executives are obliged to report their holdings of securities in the Company to the Board in every quarter on which the Board meeting is called;
3. Material insider information of the Company should not be revealed to others. This includes impacts on the Company’ securities, and the penalty provisions of a law that the Executives may face according to the Securities and Exchange Act B.E. 2535, as a result of their violation;
4. Directors, executives, managers and employees who have access to inside information shall refrain from buying and selling Company’s shares starting from the end of accounting period (quarter-end or year-end) until two days after the date of financial statements being disclosed.
5. Directors and executives shall notify the Company Secretary about their transaction (buy and sell) of the Company’s shares at least 1 day before the transaction date and notify SEC within 3 business days after transaction date as specified by the Securities and Exchange Act.

The Company has established the measures to mitigate risk of using inside information including the penalties for violator stated in under **“Corporate Governance”**.

Corporate Risk Factors

1) Strategic Risk : Palm Oil Price Volatility

Being a commodity, the price of CPO is highly volatile. In some periods, there is a shortage while in other periods there is an oversupply. The monthly average price of CPO in 2023 ranged between 28.98 – 33.91 Baht/Kg (2022 : 31.35 – 56.52 Baht/Kg). The annual average CPO price was 31.28 Baht/Kg., a 28.24% decrease from 2022, compared with the average price in global market at 29.36 Baht/Kg (2022 : 41.11 Baht/Kg). The high volatility of local price during the year is exacerbated by inadequate inventory management. Besides, the peak season of palm crop delivers abundant output leading to accumulated CPO stock balance which normally push the prices of FFB and CPO down sharply. Such circumstance may lead to price intervention introduced by the Government.

2) Risk from Government Policy : Palm Oil and FFB as Controlled Goods

Palm oil is a controlled goods according to the announcement of the Central Committee on Goods and Services Prices No. 20 B.E. 2564. However, the current measures to control palm oil are only applicable to transportation, no longer price controls or price ceiling. The Department of Internal Trade only requires companies to notify the details of purchased and sales of palm oil, stock, and storage location, and announces the price calculation structure to estimate FFB price as a guideline for determining the price for industries. Furthermore, the import of palm oil is restricted. Therefore, inventory management might be limited.

Furthermore, during these two years, there have been some important measures / announcements related to the oil palm and palm oil industry namely measures to determine the minimum % Oil Extraction Rate of CPO, programme to support income for oil palm farmers, 20-Year Roadmap for Thai Oil Palm and Palm Oil Industry Development (2017 – 2036), and Oil Palm and Oil Palm Products Act which is still under consideration.

3) Uncontrollable Risk : Climate

Because the major raw material of the Company comes from agricultural product, its future operating performance is to a large extent dependent on uncontrollable factors such as weather condition, rainfall level, and the volume of Fresh Fruit Bunch (FFB) harvested in Thailand in each season. Recently there have been fluctuations in weather phenomenon that is very uncommon. Heavy flooding in some years and severe drought in others have increased the volatility in output each year or during the year, leading to government intervention.

3. Business Sustainability Development

3.1 Policy and objectives of sustainable management

The Company strives to follow its sustainability policy that encompasses its business direction and strategy. The sustainability of the organisation is set as an ultimate goal, and is defined as one of the most important crucial parts of business strategy. The practice of sustainability shall be based on environmental and social issues covering respect for human rights, as well as good corporate governance to encourage development of the organization. To demonstrate the Company's intention and commitment to drive business, the Company has disclosed policy and guidelines on the Company's website (www.lamsoon.co.th) for investors' understanding and guidance. To determine the policy and objectives for Sustainability, the Company considers it to be in the same direction as the business operation or corporate strategy in order to comply with the main policy, guidelines for practice, the objective of creating value and achieving good operating performance, as well as respond to prospective stakeholders. This reflects the intention of developing the business that takes into account of Environmental, Social and Governance.

3.1.1 Sustainability Strategy



“NICE” is the Company's sustainability strategy, covering 3 aspects of sustainability; Economy, Social, and Environment.

N stands for **Ensure**; ensuring that we maximize the efficiency of making use of resources and energy at every step along the value chain.

I stands for **Innovate**; innovating and developing nutritious products under global safety standards with advanced technology.

C stands for **Conduct**; conducting business under the policy of corporate governance in a transparent and responsible manner.

E stands for **Educate**; giving and enhancing knowledge to people to understand and realise sustainable consumption.

From the above, **“NICE” would lead to “the Sustainable and friendly consumption”.**

3.1.2 Sustainability Goals



“ Nutrition for BETTER LIFE ”

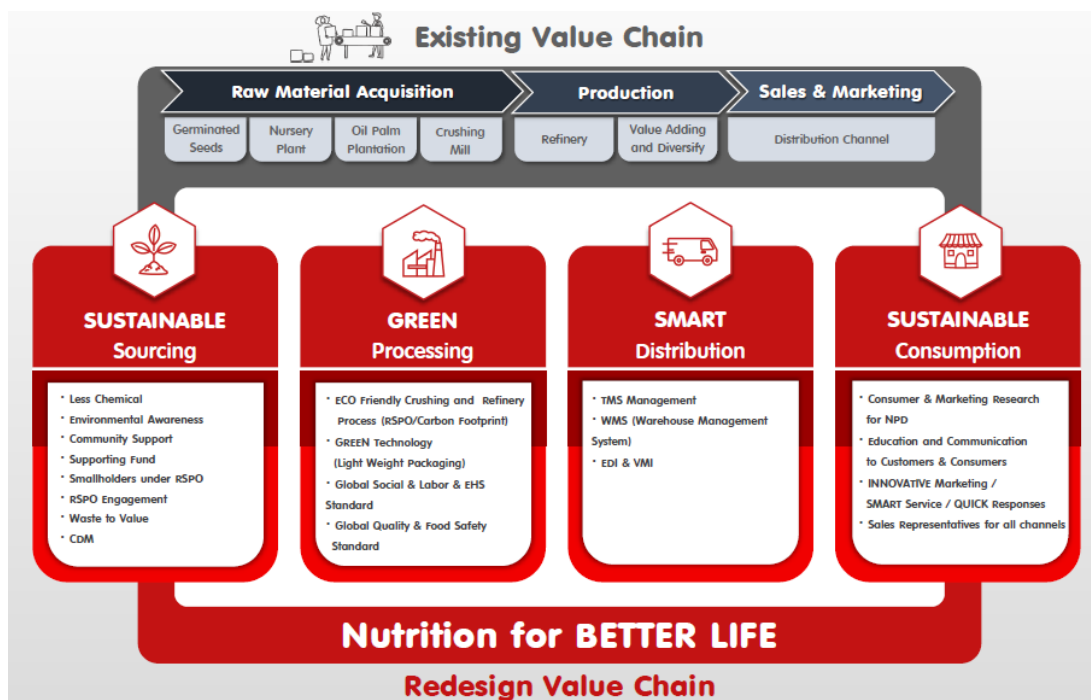
To be a leading company in **supplying nutritious products** with social care and environment for a better quality of life for everyone.



“Nutrition for BETTER LIFE” is the Company's sustainability goal, moving towards to be a leading company in supplying nutritious products with social care and for a better quality of life for everyone.

3.2 Management of impacts on stakeholders in the business value chain

3.2.1 Business value chain



As a result of the COVID-19 pandemic, followed by Ukraine and Russia war that negatively and widely affected global supply chain, the Company could learn from both internal and external risk factors of such impacts which affecting its business operations. The Company then could turn the crisis into a business opportunity by focusing on sustainable business operations. Therefore, the internal working processes have been adjusted to keep up with the changes in accordance with the Company's policy by modifying the value chain of the business to be more effective in all process. The Company still places an importance on the quality of products and services before delivery and after sales service to meet expectations of all stakeholders. By doing so, the Company involves the following activities along the value chain.

1. Primary activities

being incorporated with following related activities in business operations.

(1) Production factors management or inbound logistics

In an upstream activity, the Company recognizes the importance of raw material selection and procurement until delivery by selecting standardized and environmental-friendly vendors. The vendors who supply products to the Company are required to have production standards; ISO 9001, ISO 14001, and systems of GHP, HACCP, ISO22000, GFSI, etc., to ensure that they emphasize the importance of production including delivery of raw materials and packaging. The Company has had a certain delivery schedule to reduce loss of energy, time, and manpower in the operation, and the delivery schedule will be jointly planned with the vendors in a systematic way, where each vendor is able to plan its own internal production to maximize efficiency under reasonable operating costs.

The Company owns a crushing mill located in Southern, Trang province which promotes more than 100 smallholders in the area to gather in group under the name "Community Enterprise Growers Palm Oil and Palm Oil Sustainability (Sikao - Wangwiset)", and to be certified RSPO enhancing to grow sustainable oil palms without invading community forest area and deforesting, which align with the value chain focusing on sustainable sourcing as well as managing palm plantation according to occupational health and environment principles as a part of Green Processing. This is to build up supply of raw material delivered to Trang Crushing Mill and ensure eco-friendly production process under RSPO certification as well.

(2) Operations

Lam Soon (Thailand) Public Company Limited manufactures and sells products such as vegetable oil, shortening, margarine, butter blends, and biogas electricity through a business process related to the following activities; product design to innovate and create new products, production planning, purchasing raw materials and packaging, production control comprising machines and equipment with high technology and safety as well as environmental- friendly. There is also improvement and development processing control in order to ensure on high efficiency and safety and environmental- friendly. Quality control, there are improvement and product quality analysis method development to be fast and high efficient, maintenance of machinery and equipment. There is also a process for recruiting people with knowledge and competency corresponding to each job position, including trainings to educate employee in the organization in order to improve our people's skills to be consistent and support higher quality standards in the future.

The production processes of oil and fat products include extraction process of CPO, CPKO, and electricity generated from biogas as a result from wastewater fermentation process in the crushing mill. The refining process of oil and fat consists of degumming, bleaching and deodorization, fragmentation process, hydrogenation process, packing, and production of margarine and shortening including mixing, kneading, and packing.

In addition, the Company imports and distributes vegetable oil products and other food products that have been certified with qualified standardization and packaged under the Company's trademarks.

(3) Product distributions or Outbound logistics

With delivery or distribution of products to customers, the Company emphasizes on the development of smart distribution and realizes logistics cost, including service level in providing services to customers by planning the production to have sufficient products for sale, including planning storage of goods by using storage management to reduce movement of goods, as well as route planning management to reduce distance and fuel energy in delivery process by focusing on timely delivery to customers through Transportation Management System (TMS), application program thru 3PL (Third party logistic) service provider which shall serve the needs of stock replenishment to customers in order to reduce their storage stocks with the goal of achieving optimal cost efficiency.

For industrial customers, Information Technology is implemented through 3PL (third party logistic) companies in transportation management such as Web Portal - to reduce redundant works and verification processes, GPS application - to track along the delivery route to ensure that products will be delivered in time safely.

(4) Marketing and Sales

The Company is committed to create and offer quality products that serve consumers need continually as well as aiming to build brands in all product groups to be accepted and enhance trustworthy image with consumers by publicizing through various advertising media such as digital media, in-store media, and organizing promotional campaigns to create continual consumption and increase consumers' loyalty towards our brands.

(5) Customer services

Consumer satisfaction has always been our priority; therefore, the Company has provided a variety of convenient contact channels for consumers, any suggestion or complaints about products being able to call by phone number listed on the package, or direct message to the product page.

2. Supporting activities

The Company collaborates with some key vendors in research and development to provide products and services that serve the Company's needs by focusing on ESG and emphasize on the Green procurement strategy into the value chain. This includes processes such as selecting suppliers and purchasing materials, product design, product manufacturing and assembling, distribution and end-of-life management. To reduce air, water and waste pollution is one of our main goals of selecting business partners.

3.2.2 Analysis of stakeholders in the business value chain

The Company values stakeholders both internally and externally by conducting stakeholders' expectations analysis to evaluate potential consequences in order to make sure that the Company drives business in line with stakeholders' expectations utmost.

Subject matter	Expectation	Consequence
1) Internal expectations		
Employee	Career path progress	Low turnover rate
	Internal activity participation	Company loyalty
	Fair and sustainable income	Low turnover rate
	Good welfare	Low turnover rate
Shareholder	Good annual dividends payment	High liquidity of working capital and good operating result
	Conduct business with transparency	
2) External expectations		
Customer	On time delivery and good quality Sustainable environmental care	Confidence and repeated orders
Local administrative/ community	Community employment	Increase employment
Surrounding plants	The plant does not affect environmental pollution.	Does not affect the environment to the surrounding plants
	The plant is able to control emergency events.	Does not affect the life / property of the surrounding plants
Supplier / Sub-contractor / Contractor	Timely and full payment	Good image, supplier preference
	Safe working area	No accidents
Government agencies	Law compliance	No law punishment
	Activity sponsorship	Activity participation with the government sector

3.3 Management of environmental sustainability

3.3.1 Environmental policy and guidelines

Lam Soon (Thailand) Public Company Limited values the management of environmental sustainability by having an environmental policy which has been adapted into practice in various fields; therefore, it has been certified according to ISO 14001 standards. To comply with the environmental law, inspection reports have been sent to government agencies, such as reporting the impact of water pollution to the Department of Industrial Works which are in the Form of Ror Vor. 1 and Ror Vor. 2.

In the view of environmental management, the Company manages all aspects of water pollution, air pollution, and waste.

As an example of air pollution management, the Company has measured chimney ventilation of boilers (twice a year) and has also used clean energy; NG Gas, to avoid polluting the environment.

As an example of waste and hazardous waste management, the Company has classified waste into different types with storage areas separated by waste types and reported to government agencies, such as reporting on industrial waste (Gor Aor. 1).

As part of greenhouse gas reduction management, the Company has worked in all dimensions from upstream to downstream, so it has been certified for Carbon Footprint and Green Label.

In addition, the Company has set an annual budget (CAPEX) for energy and environmental conservation plans for continuous improvement and development as well as to comply with environmental policies.

3.3.2 Environmental operating results

Lam Soon (Thailand) Public Company Limited has been registered with Thailand Greenhouse Gas Management Organization (TGO) for a project that used wastewater from palm oil production process to generate biogas. In early 2023, the Company sold and delivered 9,194 CER credits of the project's remaining carbon credits to final buyers, the total amount of outstanding CER credits to 18,102.

In 2023, the Company had upgraded the sustainable standard certification of palm oil production from Mass Balance Module (MB) to Identity Preserved Module (IP). This certification enhances the importance of direction and practice from upstream to downstream as well as builds customers' confidence regarding raw material procurement and production process without negative results on community, and environment.

- a) *Energy management*: The Company recognizes the importance of energy management as it is defined as a KPI of its engineering department, which aims to reduce all energy consumption by 3%. The engineering department has an annual energy-reduction plan that covers all of its power, including electricity, steam, NG GAS. In addition, the new energy-saving technologies have been implemented such as chillers that adopted Carrier's new technology, being able to save a large amount of electricity. In 2023, the Company completed the following engineering projects to save energy.

Electric energy Project:

Used Inver to control the motor, Reduce the compress air.

Saving = 2,560,768.5748 kw-h /Year

= 9,218,766.869 Megajoule (MJ)/Year

Thermal aspect (Heating) Project:

Reused the steam condensate and reduced steam leaked.

Saving = 4,484.471 Ton Steam/Year.

= 5,473,291.066 Megajoule (MJ)/Year

Total saving = 14,692,057.94 Megajoule (MJ)/Year

- b) *Water pollution management*: The Company realizes the importance of wastewater management by constructing a new wastewater treatment system, which is a closed system with new and odorless technology in a smaller size. The measurement result aligned with wastewater standard of Bangpoo Industrial Estate.

- c) *Air pollution management:* The Company realizes the importance of air pollution management by measuring the amount of contaminants emitted to air from chimney ventilation factory twice a year. The measurement results in aligning with the standards according to the Ministry of Industry's announcement. In addition, the Company has chosen to use energy from NG Gas, which is clean energy that does not pollute the environment.
- d) *Waste and hazardous waste management:* The Company values waste and hazardous waste management by assorting waste into 3 bins with different color for storage - green bin for general waste, yellow bin for recycle waste, and red bin for hazardous waste. 3 different waste types will be separately stored and type to dispose Industrial waste legally.

Hazardous waste and industrial waste are assorted and stored separately such as sludge from wastewater pond to be stored in separated container and area before being disposed by outsourced party under the report submitted to the government agencies (Kor Aor.1). In 2023, sludge from wastewater pond was recorded at 187,240 Kg. which was handled by Project west Management Co., Ltd., and Waste2energy Co., Ltd to dispose Industrial waste legally.

Also, the Company has checked quality of work area environment (heat, dust, light, sound, chemical substance) annually as well as measuring the environmental Quality regarding impurities level drained from chimney ventilation plant (air pollution). In 2023, the results of inspection records were within the law limit and no emergency events of chemicals leakage from the operation.

The Company is completely aware of the importance of laws and environmental aftermath. Historically, the Company never acts any environmental wrongdoings with no environmental nor community repercussion complaints.

- e) *Greenhouse gas reduction management:* The Company has reduced greenhouse gas effect from upstream to downstream operations as follows:-
- Direct greenhouse gas emission:
 - ✓ Clean energy usage such as biomass fuel which causes less CO₂ than fuel oil.
 - ✓ Environmental-friendly coolant usage such as R-1233zd which is ozone layer safe.
 - ✓ Modifications in production technology, such as adjustment of plate heat exchanger series, thereby reducing the energy consumption of both NG and steam which generates CO₂ gas.
 - ✓ Modification in technology to support the production such as replacing chiller, thus reducing the electricity consumption, which generates CO₂ gas.
 - Indirect greenhouse gas emissions include procurement of electricity and steam from SSUT located in Bangpoo Industrial Estate for operation.

In order to provide credible information on its GHG emissions disclosures, the Company has assigned center unit specializing in environmental-friendly business strategies (V-Green) that specializes in soybean oil, sunflower oil, and palm oil as a consultant to participate in the Carbon Footprint Product Project, where V-Green will collect data and calculate the value and being a verifier for the Company to certify greenhouse gas data registered with Thailand Greenhouse Gas Management Organization (TGO). Lam Soon (Thailand) Public Company Limited has participated in a total of 20 products, the Carbon Footprint value of the products shown in the following table:-

No.	Products	Carbon footprint
1	Refined palm olein from pericarp packed by pet bottle net content 250 ml	270 g CO ₂ e
2	Refined palm olein from pericarp packed by pet bottle net content 1 litre	912 g CO ₂ e
3	Refined palm olein from pericarp packed by film plastic bag net content 1 litre	883 g CO ₂ e
4	100% refined rice bran oil packed by pet bottle yok extra brand	2.77 kg CO ₂ e
5	100% refined sunflower oil packed by pet bottle yok extra brand	2.14 kg CO ₂ e
6	Refined soybean oil net packed by pet bottle content 1 litre	592 g CO ₂ e
7	Refined palm olein from pericarp packed by tin net content 13.75 litre	13.1 kg CO ₂ e
8	Refined palm olein from pericarp packed by tin net content 18 litre	16.7 kg CO ₂ e
9	Refined blend canola oil and sunflower oil ratio 4:1 (naturel brand) packed by pet bottle net content 1 litre	2.15 kg CO ₂ e
10	100% refined canola oil (naturel brand) packed by pet bottle net content 1 litre	2.10 kg CO ₂ e
11	100% coconut cooking oil (naturel brand) packed by pet bottle net content 1 litre	2.56 kg CO ₂ e
12	100% refined rice bran oil (naturel brand) packed by pet bottle net content 1 litre	2.56 kg CO ₂ e
13	100% refined rice bran oil gold (naturel forte brand) packed by pet bottle net content 1 litre	2.64 kg CO ₂ e
14	100% refined sunflower oil (naturel brand) packed by pet bottle net content 1 litre	2.70 kg CO ₂ e
15	100% refined corn oil (naturel brand) packed by pet bottle net content 1 litre	1.69 kg CO ₂ e
16	100% coconut cooking oil (naturel brand) packed by pet bottle net content 500 ml	1.42 kg CO ₂ e
17	100% refined canola oil (naturel brand) packed by pet bottle net content 500 ml	1.16 kg CO ₂ e
18	100% coconut cooking oil (yok extra brand) packed by pet bottle net content 1 litre	2.57 kg CO ₂ e
19	100% refined canola oil (yok extra brand) packed by pet bottle net content 1 litre	2.06 kg CO ₂ e
20	100% truffle flavored coconut cooking oil (naturel brand) packed by pet bottle net content 1 litre	2.57 kg CO ₂ e

In 2023, the Company has participated the Carbon Footprint Organization Project. There is a specialized center of expertise in environmentally friendly business strategies (V-Green company) is a consultant and V-Green company joins in collecting data and calculating values for the Company and has a verifier from the research unit. For Energy and Economic Management, Multidisciplinary Research Institute Chiang Mai University which is auditor that certify greenhouse gas data are registered with the Greenhouse Gas Management Organization (TGO) and the Company confident that auditor has widely accepted work at the international level. The results of the organization's greenhouse gas emissions in all 2 areas gave the following results:

Greenhouse gas emissions - Scope 1 = 2,852 tonCO₂-eq
 Greenhouse gas emissions - Scope 2 = 26,872 tonCO₂-eq
 The total amount of greenhouse gas emissions in all 2 areas were 29,724 tonCO₂-eq.
 Remark : For the Greenhouse gas emissions - Scope 3, it will be implemented in 2024

3.4 Social sustainability management

3.4.1 Social policy and guidelines

1. The Company has set human resources management policy with conformation to Thai labor standard requirements and related laws & regulations, and adhere to moral, ethics and ensure of good understanding among staff. The Company supports and encourages staff to increase their knowledge, capabilities, skills, motivations as well as good health, perseverance as well as self and social responsibilities for both self and business. The following practices have been set to achieve our expected outcomes:
 - 1.1 All staff is treated fairly, equally, and respectfully as an important resource of the Company.
 - 1.2 Human resources recruitment, compensation, training, termination and retirement are performed reasonably without any preference of ethnics, class, nationality, religion, disability, gender, political party membership or political participation. Only for some particular special requirements of position, education, knowledge, capability, experience, physical condition that job specification's necessity are considered. Staff will be appropriately appointed and rotated reasonably.
 - 1.3 Employees are voluntarily appointed to their job positions without labor imposition such as under 18 years old child labor, binding labor, debt-repayment labor, imprisoned labor, slaved labor, human trafficking labor as well as illegal labor.
 - 1.4 The Company encourages staff to participate in efficiency improvement activities and trainings for continuous learning development.
 - 1.5 The Company provides safe and sanitary working area and environment for staff such as drinking water and restrooms.
 - 1.6 The Company arranges and regularly educates safety process in work environment as well as encourages staff to clean and care for work conditions to prevent accidents in working area.
 - 1.7 The Company believes that good communication will bring good relationship and efficiency in workplace, hence the Company communicates with all employees on relevant information periodically. The Company also respects staff corporation for settlement and membership in labor union by allowing freedom and liberty in association and negotiation. Staff is able to connect and contact peers without Company's intervention of faith and various activities to meet the need of employees

- 1.8 The Company sets suitable and apparent policy regarding social responsibility and labor conditions with continuous review, monitoring, revision and development for sustainable labor management.
2. The Company has established risk management policy for both internal and external stakeholders. The Company implements risk appraisal and internal risk management measurements in accordance with stakeholders' expectations both directly and indirectly.
3. The Company regularly communicates with staff, partners, customers and related parties. For staff, department head informs policy and other matters via department meetings. For partners, customers and related parties, responsible staff conveys the Company's policy both directly and via website.
4. The Company discloses the importance of human right policy on its website. The Company has scrutinized overall human right issues in order to ensure that the Company's operation does not violate any human rights throughout each value chain. The Company sets investigation scope, related human rights issue as well as analyzes potential consequence and possibilities. These prioritized internal human rights risk issue along with suitable preventive and settling measurement, and The Company also follows and updates any prevention plan, and values fair labor treatment with respect of human rights, by giving importance to respect human rights in a fair, equal and non-discriminatory manner including recruitment, compensation, promotion, training and development, which specify in human resources management policy. Moreover, the Company does not segregate any difference in gender, age, educational institution, ethnic, religion by supporting employment for underprivileged groups i.e. disables, seniors, acquittal in order to provide opportunity, career, continual income as well as achieving Sustainable Development Goals (SDGs) of Thailand and global directions.

3.4.2 Social operating results

The Company commits to develop social responsibility standard and management system by appointing management to supervise practices to align with such standard. The Company also appoints social responsibility committee, consisting of representatives from management, labor union and employees to contribute to social responsibility standard practice along with continuously follows social and community responsibility policy.

(1) Community and society

The Company operates its business with responsibility to communities and society, emphasizing on reducing environmental impacts and avoiding operations that may have any negative impact on the quality of life of communities around its premises. In 2023, the complaints were not found from the community regarding social or environmental issues.

The Company participates in improving the quality of life and promoting participation with communities. In 2023, the Company supported activities for society and communities as follows:-

- Sport equipments on Children's Day, to Bangpoo Industrial Estate and Sirindhorn Royal College Samutprakarn
- To support for educational activities, to Children's Center, Sirindhorn Royal College Samutprakarn
- To support LST Products (Cooking Oil) to Children's Center, Sirindhorn Royal College Samutprakarn to prepare meals for children and educational personnel and alleviate the costs of managing the center.
- Shaded awning around school building to reduce energy usage and for students and personnel health at Children's Center, Sirindhorn Royal College Samutprakarn

(2) Staff and labor

The Company appoints representatives from management, electoral staff and Thai labor standard committee to attend Thai labor standard practices. The committee held meetings and submitted the report presenting the Company's 2023 employment status and work environment with showing the number of employee as follows:-

Employment

Details	Number of Employee (persons)	
	Male	Female
Full Time Staff	291	162
Disabled Staff	1	1

Staff trainings

In 2023, the Company provided training courses to improve staff's skills and capabilities with average training hours or learning activities complied with requirements of the Department of Skill Development.

Safety, occupational health and work environment

In 2023, the Company continuously improved safety, occupational health and work environment by focusing on management and risk control of safety, occupational health and work environment. To operate systematically upon minor risk in ailment, injury or death along with suitable supervision for life quality of staff and stakeholders, the Company applied international engineering standard, laws and regulations to indicate, appraise and control risks from operations, storage, delivery, and maintenance in order to build confidence in management and establish responsibilities in safety, occupational health and work environment for staff and stakeholders including;

1. Appraise safety, occupational health and work environment practice in workplace
2. Examine laws compliance
3. Assess annual safety, occupational health and work environment performance

Employee's engagement

In 2023, the Company had planned to improve employee engagement. Our voluntary attrition rate target was 2% and the actual result was at 1.84%. (2022: 1.58%)

(3) Customers

Customer satisfaction has always been the focus of the Company; therefore, surveys have been conducting on annual basis to evaluate customer satisfaction on our products and services, and the results have been used to analyze and improve our offers in order to serve needs of both customer and consumers continuously. In 2023, there were 21 major complaint cases from customers namely logistics, sales representative service, products quality, documentation, and general complaints, all of which had already been addressed and established action plans for better serving needs of our stakeholders.

UFC, a subsidiary company, is also committed to sustainability. Over the years, the usage of biomass fuel at both factories has intentionally increased. (UFC has increased the usage of biomass intentionally.)

In 2023, the proportion of biomass fuel used for boilers at Nakorn Pathom and Lampang factories was 99% and 100% respectively. In addition, Lampang factory successfully installed another new boiler that uses only biomass in 2023.

Moreover, both factories use solar energy as part of the continuous efforts contributing towards sustainability.

3.5 Sustainability Projects/Activities



Bans Styrofoam & Waste Separation Project

The Company recognises the current seriousness of the environmental problems affected by the usage of foam and improper waste management.

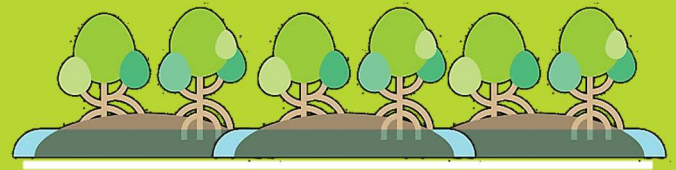
Therefore, the project “Bans Styrofoam & Waste Separation from the beginning” has been driven forward to proper disposal in next step with maximum efficiency.



We planted 270 trees.

CO₂ Reduction ~2,500 kg CO₂ / Year

LST Mangrove Planting



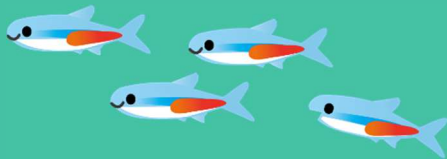
Apart that mangrove forests are a source of food and natural habitats for plants and animals, it is also a coastal defense line from erosion from wind waves. Most importantly, it can reduce the release of CO₂ into atmosphere as well.

In 2023, 270 trees of the various types of mangroves such as Rhizophora apiculata, Avicennia alba, Bruguiera sexangular and Sonneratia caseolaris, were planted at Bangpoo Nature Education Center and Hat Chao Mai National Park, which can reduce CO₂ released into atmosphere by ~2,500 kg CO₂ / year.





Fish Release



Sustainable conservation of natural water resources is another environmental issue that the Company places an importance.

Therefore, the Company has coordinated with “Khuan Kun Subdistrict Municipality”, Trang province where its Crushing Mill is located, for executing the project “Fish Release” since 2009 until present.

This is another project that integrates the cooperation of public and private sectors, for supporting UN : Sustainable Development Goals (SDGs).



The Company has coordinated with “Children’s Center, Sirindhorn Royal College”, Samutprakarn province since 2022 until present.

In 2023, the Company installed the shaded awning around the building to protect the building from infrared rays, which can help decrease the temperature of building.

As a result, the usage of air conditioners would be reduced as another way for energy saving.



4. Management Discussion and Analysis: MD&A

Operating results

For 2023, revenue from contracts with customers under LST decreased by 1,118.9 million Baht or 12.7%, resulting from the average selling price per unit decreasing by 23.7% while the sales volume increased by 14.4%. The gross profit increased by 220.4 million Baht or 41.7% making profit for the year increased by 87.5 million Baht or 32.9%; mainly due to the CPO price in the international market continuously decreased. This is because the Russia-Ukraine war situation has begun to normalize, the agreement to export sunflower has been relaxed. And since the end of 2022, Indonesia has lifted the ban on palm oil exports. Coupled with the expansion of Thailand's palm oil plantation areas; proximately increased by 10%, which effected the amount of palm oil produced to greater than domestic demands. As a result, the domestic CPO price has decreased as well.

The Company and its subsidiaries have received the following promotional privileges for various operations subjected to certain imposed conditions. Details are as follows: -

The Company

BOI Certificate No.	Operation	Validity Period*	Scope of Exemption
63-0430-1-00-1-0	Manufacture of margarine	6 years	Exemption from corporate income tax on income from the promoted operations from the date of first earning operating income (16 July 2022)
66-0703-1-00-1-0	Generate electricity from biogases	6 years	Exemption from corporate income tax on income from the promoted operations from the date of first earning operating income (15 November 2023)

Subsidiary -UPOIC

BOI Certificate No.	Operation	Validity Period*	Scope of Exemption
65-0092-1-00-1-0	Generate electricity from biogases	8 years	Exemption from corporate income tax on income from the promoted operations from the date of first earning operating income (27 September 2022)
66-1162-1-05-1-0	Generate electricity from biomass	3 years	Exemption from corporate income Tax at a rate of 50% on income from the promoted operations from the date of first earning after receiving the promotional certificate (20 September 2023)

Sales of the subsidiary company (UPOIC) for 2023 decreased by 756 million Baht or 33.8% year on year. This was because of

(a) The average selling price per unit of CPO and CPKO decreased by 19.2% and 31.7% respectively because of the normalization of CPO prices in the international market following

the recovery from the Covid-19 pandemic and the Russia-Ukraine War, which led to a decrease in domestic CPO prices.

(b) The sales volume of CPO decreased by 28.3% due to the reduction in its production, opposite to CPKO which sale volume increased by 74.7% because of stock from the previous year.

The sales revenue of Universal Food Public Company Limited (UFC) at 2,266.0 million Baht represents 13.8% increase (2022: 1,990.5 million Baht).

Total export sales grew by 13.8 % to 1,825.4 million Baht due to increase in consumer demand and success in penetrating new markets and channels. Export sales of “UFC Refresh coconut water” continue to expand in our leading markets including China, New Zealand, Singapore, Malaysia, United Kingdom and Canada.

UFC-Velvet is forecasted to continue to grow as more consumers demand healthier non-dairy products. Asian consumers are having more knowledge of plant-based products and concerns about sustainability.

Total domestic sales increased by 13.8% to 440.5 million Baht. Domestic sales revenues increased mainly due to sales turnovers of Canned Fruits and Beverage Juice. Canned fruit remains the largest category accounting for 47.7% with 11.0% increased versus year ago.

For reasons stated above, profit attributable to equity holders of the Company for the year 2023 was 514.3 million Baht, increasing by 81.8 million Baht or 18.9% (2022: 432.4 million Baht).

Other major components and changes in 2023 are as follows: -

Revenues

Revenue from contracts with customers: Revenue under LST decreased by 1,118.9 million Baht or 12.7%, resulting from the sales volume increasing by 14.4% while the average selling price per unit decreasing by 23.7%.

Sales revenue under its subsidiaries for the period increased by 405.6 million Baht or 15.1%. Sales revenue in each product group is as table below.

The Company and subsidiaries

Product/Services by Group	2022	2023	Increase (Decrease)
	Mil. Baht	Mil. Baht	Mil. Baht
Vegetable oil	8,383.5	7,395.4	(988.1)
Margarine and Shortening	909.5	922.7	13.2
Other palm-based products	121.3	105.8	(15.5)
Selling Electricity power to PEA	23.0	25.5	2.5
Beverages	1,293.9	1,498.4	204.5
Canned Fruits and Vegetables	616.2	673.0	56.8
Sauces and Seasonings and others	145.3	156.9	11.6
Total Sales - Net	11,492.7	10,777.7	(715.0)

Other income: The Company and its subsidiaries had income other than those generated by normal operation at 125.9 million Baht or 1.2% of total revenues (2022: 164.4 million Baht). Details are set out below.

Company and subsidiaries	Mil. Baht	Sources: mainly from
LST	35.9	Sales of palm shell and scrap
UPOIC	55.6	Sales of palm shell and empty bunch
UFC	34.5	Volume rebate from packaging supplier

Compensation from insurance: UPOIC completely received full compensation (2022: 12.3 million Baht).

Expenses

Cost of sales: The Company and its subsidiaries recorded cost of sales for the year at 86.9% of total sales (2022: 89.8%). Cost of sales under LST dropped to 90.2% (2022: 94.0%) because the average unit cost of CPO decreased by 29.7%.

UPOIC recorded cost of sales at 1,237.3 million Baht, decreasing by 754.8 million Baht or 37.9% from 2022 due to the average FFB cost decreasing by 30.5%.

UFC recorded cost of sales at 81.6% of total sales (2022: 80.6%).

Selling and distribution expenses: The Company and its subsidiaries recorded expenses at 585.5 million Baht (2022: 556.9 million Baht), increasing by 28.5 million Baht. Selling expenses under LST increased by 53.4 million Baht mainly from transportation, employee welfare and promotion expenses. Its subsidiaries' expenses decreased by 24.9 million Baht or 10.7% mainly from freight expenses.

Administrative expenses: The Company and its subsidiaries' expenses were 275.6 million Baht (2022: 241.8 million Baht), increasing by 33.8 million Baht. Expenses under LST increased from employee welfare. The increase in UPOIC's expenses was mainly due to management restructuring to support the strategy to increase its competitiveness and create a new S-curve of business.

Loss from change in fair value of biological assets: UPOIC recorded loss from change in fair value of biological assets of 15.1 million Baht (2022: gain 89.3 million Baht).

Profits

Gross profit (GP): GP of the Company and its subsidiaries increased by 236.2 million Baht or 20.2%. The consolidated GP was 13.1% of revenue from contracts with customers (2022: 10.2%). The GP of the Company increased by 220.4 million Baht.

Profit before income tax expenses: The profit before income tax expenses of the Company and its subsidiaries increased by 41.8 million Baht.

Profit for the year: Profit attributable to equity holders of the Company for 2023 was 514.3 million Baht or 4.7% of total revenues (2022: 432.4 million Baht or 3.7%), increasing by 81.8 million Baht or 18.9%. The basic earnings per share were 0.63 Baht (2022: 0.53 Baht).

Dividend payout ratio: In 2023, the Company paid dividend for the operational year 2022 at the rate of 0.19 Baht per share, representing a payout ratio of 58.6% of net profit. (2022: the Company paid dividends for the operational year 2021 at the rate of 0.25 Baht per share, representing a payout ratio of 57% of net profit). This rate is higher than the Company's policy to pay dividends to shareholders not less than 40% of net earnings after tax.

UPOIC paid dividend for the operational year 2022 at the rate of 0.45 Baht per share or 52.5%. (2022: UPOIC paid dividend for the operational year 2021 at the rate of 0.50 Baht per share or 53.79%).

UFC paid an interim dividend for the operational year 2023 at the rate of 1 Baht per share and paid dividend for the operational year 2022 at the rate of 0.40 Baht per share. (2022: UFC paid an interim dividend for the operational year 2022 at the rate of 0.80 Baht per share and paid dividend for the operational year 2021 at the rate of 0.40 Baht per share).

Book value (weighted average number of ordinary shares): As at 31 December 2023, the book value per share of LST was 4.65 Baht (weighted average number of shares at 820 million shares) (2022: 4.42 Baht). Profit of the Company was 0.43 Baht per share, and dividend paid was 0.19 Baht per share.

Financial position

Assets: At the end of 2023, the total assets of the Company and its subsidiaries were 7,062.4 million Baht, an increase of 98.2 million Baht or 1.4%. The major reasons are as follows:

- **Cash and cash equivalents:** The Company and its subsidiaries' cash and cash equivalents was 427.4 million Baht (2022: 347.6 million Baht), increasing by 79.8 million Baht or 23%. Cash and cash equivalents under LST increased by 34.9 million Baht from trade and other payables.
- **Trade and other receivables:** The Company and its subsidiaries recorded trade receivables—unrelated parties (after less allowance for expected credit losses) at 1,311.7 million Baht, accounting for 18.6% of total assets (2022: 1,179.9 million Baht or 16.9%), increasing by 131.8 million Baht from A/R which was not yet due and A/R ages up to 3 months. The average collection period was 43 days. (2022: 44 days).

The Company and its subsidiaries recorded A/R aging over 12 months and returned cheques at 8.3 million Baht or 0.6% of trade receivables—unrelated parties (2022: 11.7 million Baht or 1%). In the meantime, the Company already set the allowance for expected credit losses at 82.2% of this value (2022: 83.4%).

- **Inventory:** The Company and its subsidiaries' inventory were worth 1,874.9 million Baht or 26.5% of total assets, decreasing by 148.7 million Baht (2022: 2,023.5 million Baht or 29.1%). At the Company level, there was a decrease of 150.4 million Baht since CPO price continuously decreased.
- **Property, plant and equipment:** The Company and its subsidiaries recorded a net value of 2,538.4 million Baht, an increase of 26.8 million Baht or 1.1%, mainly from machinery, and equipment.

Source of Fund

Structure of Fund: Under the consolidated financial statements, source of fund comprised 5,385.6 million Baht from shareholders' equity and 1,676.8 million Baht from liabilities or 76.3% and 23.7% of total liabilities and shareholders' equity respectively. Such liabilities were mainly derived from loans from financial institutions amounted to 524 million Baht, comprising short-term loans and long-term loans-net of current portion which the Group has complied with financial covenants attached to the loan agreements. In addition, there was trade and other payables at 756.5 million Baht. The debt-to-equity ratio was 0.31 times. (2022: 0.39 times). Further details are set out below: -

- **Shareholders' equity:** The Company group's shareholders' equity increased by 365.9 million Baht or 7.3% because of net profit for the year at 576.5 million Baht and dividend paid at 200.1 million Baht.
- **Liabilities:** The Company group had loans from financial institutions of 524 million Baht comprising:
 - 1) 319 million Baht in short-term loans to the company.
 - 2) 200 million Baht in short-term loans to its subsidiaries.
 - 3) 5 million Baht in long-term loans-net of current portion to the company.

Financial liquidity

In 2023, the Company and its subsidiaries had higher financial liquidity than 2022 as cash and cash equivalents was 427.4 million Baht, increasing by 79.8 million Baht (2022: 347.6 million Baht). The main factors for changes in cash flow from operating, investing, and financing activities were as follows:

Cash flows from operating activities: The Company and its subsidiaries had net cash received from operating activities at 982.5 million Baht (2022: 475.7 million Baht), increasing by 506.8 million Baht. Profit from operating activities before changes in operating assets and liabilities was 959 million Baht, increasing by 147.7 million Baht. The key factors for changes during the year were as follows:

- Trade and other receivables increased by (132.3) million Baht from sales at the end of the year.
- Inventory decreased by 160.6 million Baht from the reduced cost of palm fruit.
- Trade and other payables increased by 145.6 million Baht.

Cash flows from investing activities: The Company and its subsidiaries recorded net cash used in investing activities at 258.2 million Baht (2022: 300.1 million Baht). This came from investment in machinery and equipment.

Cash flows from financing activities: The Company and its subsidiaries recorded net cash used in financing activities at 644.4 million Baht (2022: 6.2 million Baht), increasing by 638.3 million Baht. The main factors were cash repayment of long-term loans and dividend payment was 200.1 million Baht.

Financial ratios

The current ratio 2023: 2.8 times (2022: 2.34 times) as short-term loans from banks decreased.

The quick ratio 2023: 1.28 times (2022: 0.95 times) as short-term loans from banks decreased.

Return on total assets (Average) 2023: 8.22% (2022: 7.98%) as net profit for the year increased by 7.9%, whereas total assets increased by 1.4%.

Return on total equity (Average) 2023: 11.08% (2022: 10.95%) as net profit for the year increased by 7.9%, whereas total shareholders' equity increased by 7.3%.

Total debt to equity ratio 2023: 0.31 times (2022: 0.39 times) since short-term and long-term loans from banks decreased.

Accounts receivables turnover 2023: 8.39 times (2022: 8.20 times) with the average collection period at 43 days (2022: 44 days).

Inventory turnover of finished goods 2023: 13.61 times (2022: 15.93 times) with the inventory turnover period at 26 days (2022: 23 days).

Accounts payables turnover 2023: 13.66 times (2022: 16.84 times) with average payment period at 26 days (2022: 21 days).

Capital Expenditure

In 2023, major items of capital expenditure incurred by the Group include:

- With a commitment to maintain its production standard and continuous competitiveness, your Company continued to carry out its investment programmed in 2023 namely : Phase I-Hydrogenation Plant and Drum Packing Line and Phase II-Refinery to support the additional production. The installation of this project is estimated to be completed in 2025.
- UPOIC, a subsidiary company, continues to focus on cost reduction by increasing production efficiency. In 2023, UPOIC completed its investment projects namely the PKX warehouse building project in Q2, installation of separator machine in Q3, replacement of EFB press in October. All those projects can reduce production cost by improving and changing machinery to increase production efficiency. Furthermore, UPOIC continued to improve the quality control of out grower crop to increase the oil extraction rate, control the harvesting of quality palm fruit, maintain palm trees, well manage its oil palm plantations, manage costs of logistic and machinery maintenance.
- UFC focuses on research and development of new plant-based beverages, which are popular among consumers around the world and has high growth rate. To serve the new consumer trends, UFC also continues to invest in formulation development and technology. These include investing in new equipment for improving production efficiency and quality of plant-based milk beverages (oat milk, coconut milk and soy milk, etc.).

Research & Development and Innovation Expenditure

Lam Soon (Thailand) Public Company Limited has focused on research and development activities for technology and innovations in the production process to support production capacity expansion and new product development. In 2023, the following projects were completed in Bangpoo Plant.

1. New pack drum machine system with semi-automatic technology. The new machine expands capacity during high season and supports future business growth, and covers the requirements of GMP and HACCP systems with greater efficiency.
2. Project to install an automatic program to control the production of the Fractionation process by WinCC operation system (HMI / Scada). This will reduce manual work, as well as reduce errors from employees in operating machines.
3. QA department has installed a new HPLC (High Performance Liquid Chromatography) machine to replace the old one for use in Antioxidant analysis (TBHQ, BHT, BHA). The scope of analysis of Antioxidants will thus expand from only TBHQ, BHT, BHA to be able to analyse additional parts of Tocopherol and Ascorbyl.
4. RD Department has installed a Dough Sheeter to develop and improve Puff Pastry Product to meet customers' needs.

Factors or circumstances which might affect financial performance in the future

Please refer to **Corporate Risk Factors (Page 49)** and **Marketing and Competition (Page 27-42)** as explained earlier.

Financial Highlights

Name : Ms. Satida Ratananurak
 Certified Public Accountant No. 4753
 Office : EY Office Limited

1) Remuneration of statutory auditor (Audit Fee)

The Company and its subsidiaries nominated the same office of the statutory auditor and audit fee was determined as follows: -

Audit Fee (Baht)	2023	2024
for the Company	1,710,000	1,760,000
for 2 subsidiaries	2,250,000	2,392,000

2) Non-Audit Fee

Apart from the Audit Fee, the Company and its subsidiaries determined fees for auditing inventory destruction and verifying BOI project including imported machineries for corporate income tax submission as follows: -

Fee for auditing inventory destruction (Baht/staff/day)	2023	2024
for the Company	20,000	20,000
for 1 subsidiary (UFC)	20,000	20,000

Fee for verifying BOI project (Baht/certificate)	2023	2024
for the Company	120,000	120,000
for 2 subsidiaries	100,000	225,000

The Consolidated financial statements include the financial statements of the Company and the following subsidiaries:

- United Palm Oil Industry Public Company Limited (UPOIC)
(69.96% shares held by the Company)
- Universal Food Public Company Limited (UFC)
(98.85% shares held by the Company)

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Statements of Financial Position
As at 31 December

(Unit : '000 Baht)

	Consolidated financial statements						Separate financial statements					
	2023		2022		2021		2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Assets												
Current Assets												
Cash and cash equivalents	427,365	6.05	347,588	4.99	178,193	2.78	155,928	3.19	121,063	2.47	21,348	0.47
Trade and other receivables	1,347,339	19.08	1,220,614	17.53	1,584,137	24.68	1,113,196	22.81	1,041,445	21.21	1,362,400	29.77
Current portion of finance lease receivables	119	0.00	699	0.01	1,545	0.02	-	-	-	-	-	-
Inventories	1,874,851	26.55	2,023,537	29.06	1,505,253	23.45	1,270,272	26.03	1,420,688	28.94	948,808	20.73
Biological assets	195,368	2.77	203,526	2.92	112,273	1.75	-	-	-	-	-	-
Value added tax refundable	7,469	0.11	18,400	0.26	12,268	0.19	-	-	-	-	-	-
Other current financial assets	-	-	784	0.01	-	-	-	-	784	0.02	-	-
Other current assets	28,125	0.40	27,272	0.39	34,053	0.53	9,646	0.20	8,304	0.17	12,730	0.28
Total current assets	3,880,637	54.95	3,842,420	55.17	3,427,722	53.41	2,549,042	52.23	2,592,284	52.80	2,345,286	51.24
Non-current assets												
Financial lease receivables – long-term portion	379	0.01	21	0.00	896	0.01	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-	1,334,158	27.33	1,334,158	27.17	1,334,158	29.15
Investment in joint venture	94,968	1.34	62,450	0.90	26,571	0.41	-	-	-	-	-	-
Long-term loans to other company	15,640	0.22	16,560	0.24	17,480	0.27	-	-	-	-	-	-
Investment properties	61,768	0.87	61,931	0.89	61,020	0.95	5,615	0.12	5,615	0.11	5,615	0.12
Property, plant and equipment	2,538,415	35.94	2,511,627	36.06	2,413,490	37.61	956,446	19.60	945,037	19.25	863,247	18.86
Right-of-use assets	56,019	0.79	49,685	0.71	34,982	0.55	5,737	0.12	3,235	0.07	-	-
Bearer plants	166,346	2.36	172,093	2.47	176,606	2.75	130	0.00	142	0.00	154	0.00
Goodwill	196,376	2.78	196,376	2.82	196,376	3.06	-	-	-	-	-	-
Intangible assets	5,706	0.08	6,228	0.09	6,214	0.10	5,249	0.11	5,766	0.12	5,173	0.11
Deferred tax assets	43,227	0.61	40,707	0.58	47,733	0.74	23,812	0.49	22,530	0.46	22,793	0.50
Other non-current financial assets	23	0.00	23	0.00	23	0.00	23	0.00	23	0.00	23	0.00
Other non-current assets	2,901	0.04	4,109	0.06	8,630	0.13	608	0.01	870	0.02	536	0.01
Total non-current assets	3,181,770	45.05	3,121,811	44.83	2,990,022	46.59	2,331,779	47.77	2,317,375	47.20	2,231,700	48.76
Total assets	7,062,407	100.00	6,964,231	100.00	6,417,745	100.00	4,880,820	100.00	4,909,659	100.00	4,576,986	100.00

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Statements of Financial Position (continued)
As at 31 December

(Unit : '000 Baht)

	Consolidated financial statements						Separate financial statements					
	2023		2022		2021		2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Liabilities and shareholders' equity												
Current liabilities												
Short-term loans from banks	519,000	7.35	901,000	12.94	526,000	8.20	319,000	6.54	711,000	14.48	231,000	5.05
Trade and other payables	756,533	10.71	615,806	8.84	609,770	9.50	606,598	12.43	446,730	9.10	643,254	14.05
Current portion of long-term loans	-	-	31,667	0.45	87,067	1.36	-	-	-	-	-	-
Current portion of leases liabilities	9,943	0.14	4,535	0.07	345	0.01	976	0.02	480	0.01	-	-
Income tax payable	56,925	0.81	55,128	0.79	49,872	0.78	17,665	0.36	21,378	0.44	34,964	0.76
Advance received from customers	39,855	0.56	31,026	0.45	26,417	0.41	3,668	0.08	2,579	0.05	228	0.00
Other current financial liabilities	5,040	0.07	4,731	0.07	7,001	0.11	1,921	0.04	1,624	0.03	3,149	0.07
Other current liabilities	771	0.01	863	0.01	6,231	0.10	5	0.00	187	0.00	965	0.02
Total current liabilities	1,388,067	19.65	1,644,754	23.62	1,312,703	20.45	949,834	19.46	1,183,978	24.12	913,559	19.96
Non-current liabilities												
Long-term loans – net of current portion	5,000	0.07	26,667	0.38	95,733	1.49	5,000	0.10	-	-	-	-
Lease liabilities – net of current portion	57,645	0.82	54,950	0.79	42,647	0.66	5,183	0.11	2,854	0.06	-	-
Deferred tax liabilities	21,495	0.30	22,841	0.33	31,752	0.49	-	-	-	-	-	-
Provision for long-term employee benefits	204,624	2.90	195,362	2.81	201,452	3.14	108,175	2.22	101,890	2.08	103,308	2.26
Total non-current liabilities	288,764	4.09	299,819	4.31	371,584	5.79	118,357	2.42	104,744	2.13	103,308	2.26
Total liabilities	1,676,831	23.74	1,944,573	27.92	1,684,287	26.24	1,068,192	21.89	1,288,723	26.25	1,016,867	22.22

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Statements of Financial Position (continued)
As at 31 December

(Unit : '000 Baht)

	Consolidated financial statements						Separate financial statements					
	2023		2022		2021		2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Shareholders' equity												
Share capital												
Registered												
820,000,000 ordinary shares of Baht 1 each	820,000		820,000		820,000		820,000		820,000		820,000	
Issued and fully paid-up												
820,000,000 ordinary shares of Baht 1 each	820,000	11.61	820,000	11.77	820,000	12.78	820,000	16.80	820,000	16.70	820,000	17.92
Share premium	241,970	3.43	241,970	3.47	241,970	3.77	241,970	4.96	241,970	4.93	241,970	5.29
Other surpluses (deficits)												
Premium on treasury stock	5,269	0.07	5,269	0.08	5,269	0.08	5,269	0.11	5,269	0.11	5,269	0.12
Deficit on changes in shareholding in subsidiary	(6,593)	(0.09)	(6,593)	(0.09)	(6,593)	(0.10)	-	-	-	-	-	-
Retained earnings												
Appropriated – statutory reserve	144,682	2.05	135,953	1.95	130,377	2.03	82,000	1.68	82,000	1.67	82,000	1.79
Unappropriated	3,685,602	52.19	3,344,988	48.03	3,116,907	48.57	2,663,389	54.57	2,471,697	50.34	2,410,880	52.67
Equity attributable to owners of the Company	4,890,931	69.25	4,541,588	65.21	4,307,931	67.13	3,812,628	78.11	3,620,937	73.75	3,560,119	77.78
Non-controlling interests of the subsidiaries	494,645	7.00	478,070	6.86	425,527	6.63	-	-	-	-	-	-
Total shareholders' equity	5,385,576	76.26	5,019,658	72.08	4,733,458	73.76	3,812,628	78.11	3,620,937	73.75	3,560,119	77.78
Total liabilities and shareholders' equity	7,062,407	100.00	6,964,231	100.00	6,417,745	100.00	4,880,820	100.00	4,909,659	100.00	4,576,986	100.00

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Statements of Comprehensive Income
For the year ended 31 December

(Unit : '000 Baht)

	Consolidated financial statements						Separate financial statements					
	2023		2022		2021		2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Profit or loss:												
Revenues												
Revenue from contracts with customers	10,777,684	98.85	11,492,742	97.74	9,521,289	98.30	7,678,581	97.59	8,797,495	97.49	7,448,473	98.49
Dividend income	-	-	-	-	-	-	153,917	1.96	175,631	1.95	66,097	0.87
Gain from change in fair value of biological assets	-	-	89,279	0.76	25,902	0.27	-	-	-	-	-	-
Compensation from insurance	-	-	12,262	0.10	7,672	0.08	-	-	-	-	-	-
Other income	125,920	1.15	164,376	1.40	130,631	1.35	35,856	0.46	50,639	0.56	48,189	0.64
Total revenues	10,903,604	100.00	11,758,659	100.00	9,685,494	100.00	7,868,354	100.00	9,023,765	100.00	7,562,759	100.00
Expenses												
Cost of sales (<i>% per Revenue from contracts with customers</i>)	9,370,364	86.94	10,321,670	89.81	8,081,502	84.88	6,929,425	90.24	8,268,764	93.99	6,658,368	89.39
Selling and distribution expenses	585,470	5.37	556,935	4.74	576,625	5.95	378,516	4.81	325,135	3.60	342,985	4.54
Administrative expenses	275,597	2.53	241,841	2.06	220,835	2.28	145,472	1.85	131,818	1.46	124,379	1.64
Loss from change in fair value of biological assets	15,148	0.14	-	-	-	-	-	-	-	-	-	-
Loss from impairment of assets	-	-	-	-	15,589	0.16	-	-	-	-	-	-
Total expenses	10,246,580	93.97	11,120,445	94.57	8,894,552	91.83	7,453,414	94.73	8,725,717	96.70	7,125,732	94.22
Operating profit	657,024	6.03	638,214	5.43	790,942	8.17	414,940	5.27	298,048	3.30	437,027	5.78
Share of gain from investment in joint venture	62,547	0.57	35,880	0.31	3,573	0.04	-	-	-	-	-	-
Finance income	2,680	0.02	902	0.01	670	0.01	720	0.01	206	0.00	141	0.00
Finance cost	(20,467)	(0.19)	(14,972)	(0.13)	(11,428)	(0.12)	(12,321)	(0.16)	(9,747)	(0.11)	(2,908)	(0.04)
Profit before income tax expenses	701,784	6.44	660,023	5.61	783,758	8.09	403,339	5.13	288,507	3.20	434,260	5.74
Income tax expenses	(125,258)	(1.15)	(125,800)	(1.07)	(135,630)	(1.40)	(50,056)	(0.64)	(22,741)	(0.25)	(74,464)	(0.98)
Profit for the year	576,525	5.29	534,223	4.54	648,128	6.69	353,283	4.49	265,766	2.95	359,796	4.76

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Statements of Comprehensive Income (continued)
For the year ended 31 December

(Unit : '000 Baht)

	Consolidated financial statements			Separate financial statements		
	2023	2022	2021	2023	2022	2021
	Amount	Amount	Amount	Amount	Amount	Amount
Other comprehensive income:						
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Actuarial loss	(13,053)	7,899	(3,769)	(7,311)	-	(3,769)
Income tax effect	2,611	(1,580)	754	1,462	-	754
Share of other comprehensive income of investment in joint venture – actuarial loss	(29)	-	-	-	-	-
<i>Other comprehensive income not be reclassified to profit or loss in subsequent periods - net of income tax</i>	(10,472)	6,319	(3,015)	(5,849)	-	(3,015)
Other comprehensive income for the year	(10,472)	6,319	(3,015)	(5,849)	-	(3,015)
Total comprehensive income for the year	566,054	540,542	645,113	347,434	265,766	356,780
Profit attributable to:						
Equity holders of the Company	514,270	432,425	558,631	353,283	265,766	359,796
Non-controlling interests of the subsidiaries	62,255	101,798	89,497			
	576,525	534,223	648,128			
Total comprehensive income attributable to:						
Equity holders of the Company	505,187	438,671	555,615	347,434	265,766	356,780
Non-controlling interests of the subsidiaries	60,687	101,871	89,497			
	566,054	540,542	645,113			
Basic earnings per share						
Profit attributable to equity holders of the Company	0.63	0.53	0.68	0.43	0.32	0.44
Par value (Baht/share)	1.00	1.00	1.00	1.00	1.00	1.00
The ordinary shares (shares)	820,000,000	820,000,000	820,000,000	820,000,000	820,000,000	820,000,000

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Cash Flow Statements
For the year ended 31 December

(Unit : '000 Baht)

	Consolidated financial statements			Separate financial statements		
	2023	2022	2021	2023	2022	2021
Cash flows from operating activities						
Profit before tax	701,784	660,023	783,758	403,339	288,507	434,260
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:						
Depreciation and amortisation	272,042	246,813	249,859	137,532	119,970	111,800
Loss (gain) from change in fair value of biological assets	15,148	(89,279)	(25,902)	-	-	-
Share of gain from investment in joint venture	(62,547)	(35,880)	(3,573)	-	-	-
Adjustment of last year corporate income tax	-	(59)	-	-	(59)	-
Bad debt	3,493	-	99,876	3,493	-	-
Increase (decrease) in allowance for expected credit losses	(2,884)	1	(99,876)	(2,884)	1	-
Increase (decrease) in allowance for diminution in inventory value	(11,929)	7,537	(6,642)	2,255	-	(11)
Loss on write-off inventory	-	1,718	-	-	1,718	-
Loss on write-off of bearer plants	16	2,856	117	-	-	-
Reversal of impairment loss of investment property	-	(1,191)	-	-	-	-
Loss (gain) on disposals/write-off of property, plant and equipment	(4,637)	253	5,790	(1,049)	(1,659)	1,380
Loss on impairment of assets (reversal)	4,150	(18,356)	15,589	-	-	-
Unrealised loss (gain) on exchange	7,843	4,811	(112)	2,826	682	(3)
Unrealised loss (gain) on fair value of derivatives	222	(784)	634	222	(784)	385
Gain on lease agreements	(542)	-	-	-	-	-
Provision for termination benefits and long-term employee benefits	19,060	18,750	18,605	9,984	9,255	8,662
Dividend income from subsidiaries	-	-	-	(153,916)	(175,631)	(66,097)
Dividend income from other companies	-	-	-	-	-	-
Finance income	(2,680)	(902)	(670)	(720)	(206)	(141)
Finance cost	20,467	14,972	11,428	12,321	9,747	2,908
Profit from operating activities before changes in operating assets and liabilities	959,007	811,284	1,048,880	413,402	251,541	493,143
Decrease (increase) in operating assets						
Trade and other receivables	(132,251)	358,738	(698,610)	(72,257)	320,300	(551,182)
Cash received from financial lease receivables	764	1,721	1,567	-	-	-
Inventories	160,615	(527,540)	(109,503)	148,162	(473,599)	(39,654)
Biological assets	(6,990)	(1,974)	9,249	-	-	-
Other current financial assets	784	-	-	784	-	-
Other current assets	10,217	589	(7,958)	(1,342)	4,426	(1,242)
Other non-current assets	1,303	2,942	(3,259)	262	(333)	(63)
Increase (decrease) in operating liabilities						
Trade and other payables	145,595	(11,790)	175,760	156,622	(199,551)	247,156
Other current financial liabilities	96	(2,340)	487	85	(1,595)	924
Other current liabilities	8,737	(760)	(4,979)	907	1,574	(3,705)
Provision for termination benefits and long-term employee benefits	(22,851)	(16,941)	(12,779)	(11,010)	(10,673)	(5,664)
Cash from (used in) operating activities	1,125,026	613,930	398,857	635,615	(107,909)	139,712

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Cash Flow Statements (continued)
For the year ended 31 December

(Unit : '000 Baht)

	Consolidated financial statements			Separate financial statements		
	2023	2022	2021	2023	2022	2021
Cash received from interest income	2,680	902	670	720	206	141
Cash paid for interest expenses	(20,383)	(15,233)	(11,114)	(12,268)	(9,747)	(2,855)
Income tax refund	-	202	4,097	-	-	-
Cash paid for corporate income tax	(124,856)	(124,092)	(121,390)	(53,590)	(36,004)	(89,869)
Net cash from (used in) operating activities	982,466	475,709	271,121	570,477	(153,454)	47,129
Cash flows from investing activities						
Acquisition of investment in subsidiary from non-controlling interests	-	-	(189)	-	-	(189)
Dividend received from subsidiaries	-	-	-	153,916	175,631	66,097
Dividend received from other company	-	-	-	-	-	-
Dividend received from investment in joint venture	30,000	-	-	-	-	-
Decrease in long-term loans to other company	920	920	920	-	-	-
Acquisitions of property, plant and equipment	(291,118)	(296,077)	(243,062)	(147,732)	(197,564)	(162,575)
Advance payments for equipment	(95)	-	(1,579)	-	-	-
Proceeds from disposals of property, plant and equipment	7,813	2,855	4,722	2,146	1,790	835
Increase in bearer plants	(4,903)	(5,924)	(4,394)	-	-	-
Acquisitions of intangible assets	(866)	(1,905)	(298)	(631)	(1,712)	(250)
Net cash from (used in) investing activities	(258,248)	(300,131)	(243,880)	7,700	(21,854)	(96,082)
Cash flows from financing activities						
Increase (decrease) in short-term loans from banks	(382,000)	375,000	66,000	(392,000)	480,000	166,000
Cash received from long-term loans	5,000	-	110,000	5,000	-	-
Repayment of long-term loans	(58,333)	(124,467)	(60,400)	-	-	-
Payment of lease liabilities	(8,963)	(2,445)	(2,929)	(561)	(97)	-
Dividend paid	(200,146)	(254,272)	(200,004)	(155,752)	(204,879)	(180,304)
Net cash from (used in) financing activities	(644,442)	(6,183)	(87,332)	(543,312)	275,024	(14,304)
Net increase (decrease) in cash and cash equivalents	79,777	169,394	(60,092)	34,864	99,715	(63,257)
Cash and cash equivalents at beginning of the year	347,588	178,193	238,286	121,063	21,348	84,605
Cash and cash equivalents at end of the year	427,365	347,588	178,193	155,928	121,063	21,348
Supplementary disclosures of cash flows information						
Non-cash transactions						
Acquisitions of plant and equipment that have not been paid	21,924	29,802	11,741	11,545	11,282	8,282
Increase in right-of-use assets and lease liabilities from contract modification	17,066	18,937	138	3,386	3,431	-
Transfer of deposits for equipment to equipment	-	1,579	200	-	-	-
Dividend payable	1,857	1,854	734	794	804	734

RATIO ANALYSIS

	Consolidated financial statements			Separate financial statements		
	2023	2022	2021	2023	2022	2021
LIQUIDITY RATIO						
Current Ratio (times)	2.80	2.34	2.61	2.68	2.19	2.57
Quick Ratio (times)	1.28	0.95	1.34	1.34	0.98	1.51
Cash Flow Ratio (times)	0.65	0.32	0.22	0.53	(0.15)	0.06
Account Receivable Turnover (times)	8.39	8.20	7.71	7.13	7.32	6.85
Average Collection Period (days)	43	44	47	51	49	53
Finished Goods Turnover (times)	13.61	15.93	14.12	30.65	40.99	39.97
Finished Goods Turnover Period (days)	26	23	25	12	9	9
Inventory Turnover (times)	4.81	5.85	5.57	5.15	6.98	7.17
Inventory Turnover Period (days)	75	62	65	70	52	50
Account Payable Turnover (times)	13.66	16.84	14.95	13.16	15.17	12.41
Average Payment Period (days)	26	21	24	27	24	29
Cash Cycle (days)	91	84	87	93	77	74
PROFITABILITY RATIO						
Gross Profit Margin (%)	13.06	10.19	15.12	9.76	6.01	10.61
Operating Profit (%)	6.03	5.43	8.18	5.27	3.30	5.80
Other Income to Total Revenue (%)	1.15	1.40	1.35	2.41	0.56	0.64
Operating Cash Flow to Operating Profit (%)	149.53	74.54	34.21	137.48	(51.49)	10.75
Net Profit (%)	5.29	4.54	6.69	4.49	2.95	4.76
Return on Total Equity (average) (%)	11.08	10.95	14.37	9.51	7.40	10.36
EFFICIENCY RATIO						
Return on Total Assets (average) (%)	8.22	7.98	10.69	7.22	5.60	8.36
Return on Total Fixed Assets (average) (%)	33.61	31.72	36.91	51.62	42.66	55.15
Total Assets Turnover (average) (times)	1.55	1.76	1.59	1.61	1.90	1.76
FINANCIAL POLICY RATIO						
Debt to Equity Ratio (times)	0.31	0.39	0.36	0.28	0.36	0.29
Interest Coverage Ratio (times)	48.45	61.51	80.62	44.84	42.89	123.58
Interest Bearing Debt to EBITDA Ratio (times)	0.91	1.11	0.72	1.14	1.71	0.42
Debt Service Coverage Ratio (times)	1.20	0.98	1.71	0.88	0.59	2.38
Dividend Payout (based on paid year) (%)				44.10	77.14	50.14
Dividend Payout (based on operational year) (%)					58.62	56.98
DATA PER SHARE						
Book Value per Share (Baht)				4.65	4.42	4.34
Earnings per Share (Baht)	0.63	0.53	0.68	0.43	0.32	0.44
Dividend Paid per Share (based on paid year) (Baht)				0.19	0.25	0.22
Dividend Paid per Share (based on oper. year) (Baht)					0.19	0.25

5. General Information and Other Material Facts

Registrar

Name : Thailand Securities Depository Co., Ltd.
Address : 93 The Stock Exchange of Thailand Building,
Ratchadapisek Road, Khwaeng Din Daeng,
Khet Din Daeng, Bangkok 10400

Tel 02-009 9000
Fax 02-009 9991

Auditor

Name : Ms. Satida Ratananurak
Certified Public Accountant No. 4753
Address : EY Office Limited
33rd Floor, Lake Rajada Office Complex,
193/136-137 Rajadapisek Road,
Klong Toey, Bangkok 10110

Tel 02-264 0777, 02-661 9190
Fax 02-661 9190

No. of years being the Company's Auditor : 6
Relations or interests with the Company /
the Company's subsidiaries /
the management / major shareholders /
or any relevant persons of the aforementioned

Investor Relations

Name : Mr. Poomkiet Chotichaicharin
Managing Director
e-mail : poomkiet.c@lamsoon.co.th

Name : Ms. Piyathida Sukchan
Executive Director and Company Secretary
e-mail : piyathida@lamsoon.co.th

Tel 02-361 8959-70
Fax 02-361 8989

Legal conflicts

- 1) Legal cases which could have a material adverse impact on the assets of the Company or its subsidiaries amounting higher than 5% of shareholders' equity in consolidated financial statements at December 31, 2023**

There was no litigation or legal conflicts which could have a material adverse impact on the assets of the Company or its subsidiaries amounting higher than 5% of shareholders' equity in consolidated financial statements at December 31, 2023.

- 2) Legal cases which could have a material adverse impact on the operations**

-----None-----

- 3) Legal cases which do not involve the normal business of the Company**

-----None-----

Section 2

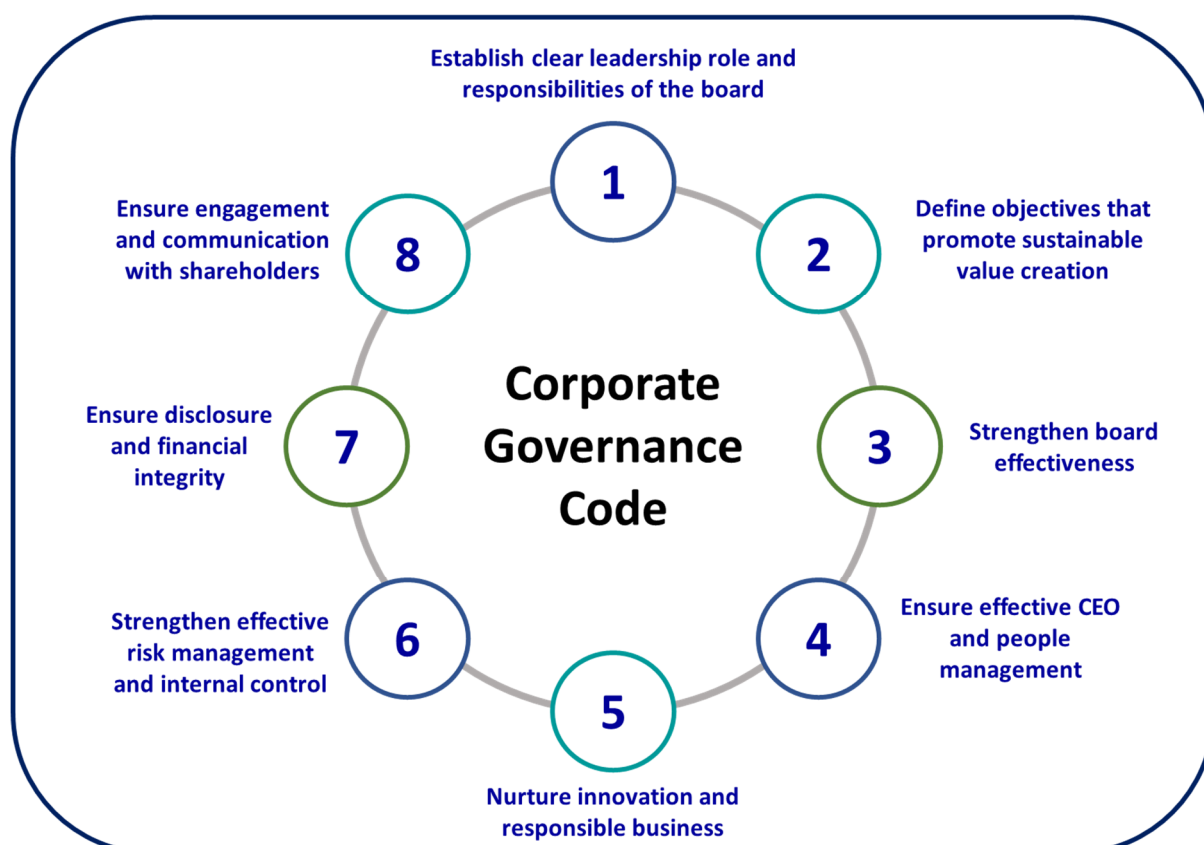
Corporate Governance

6. Corporate Governance Policy

The Securities and Exchange Commission (SEC) with the collaboration of the Task Force for Sustainability in Listed Companies has developed the Corporate Governance Code 2017 (the “CG CODE”) by integrating Environmental, Social, and Governance issues (ESG) into the business process for the Board of Directors, as the leader and governing body of a listed company, who can apply as a guideline to supervise the listed company to conduct the business with integrity, respect for the rights, responsibilities for stakeholders, development or reduction of negative impacts on the environment as well as the adaptation to any changing conditions. This is in accordance with sustainable development under the philosophy of Sufficiency Economy.

6.1 Overview of the Policy and Guidelines

Lam Soon (Thailand) Public Company Limited (LST) recognises the importance of Corporate Governance Code in promoting transparency in operations, fair and equitable treatment to all stakeholders as well as an efficient management system in parallel with Corporate Social and Environment Responsibility aiming at the Company’s long-term sustainable value creation. The Board of Directors therefore considered the application of the CG CODE Principles as deemed appropriate and resolved to apply the Principles by means that are suitable for the Company’s business. If any of the Principles cannot be applied or are not applicable, an explanation shall be provided at the Board Meeting.



8 Principles of the Corporate Governance Code

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and People Management
Principle 5	Nurture Innovation and Responsible Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

6.1.1 Policy and guidelines related to the Board of Directors

The Board has assigned the Audit and Corporate Governance Committee to develop an action plan and measures for monitoring to ensure implementation, assessment of compliance, and recommending improvement on the CG CODE as appropriate.

(1) Procedure for Director Nomination

The Nomination Committee shall have the duty to recommend names of suitable candidates for the Board and shareholders' meeting to elect as directors according to the Company's Articles of Association. The Nomination Committee shall undertake the task of identifying, evaluating, selecting and proposing new nominees to the Board.

The Board of Directors shall consider that the candidates possess experience suitable for the post of directorship, to assist the Board to act prudently as well as capability to make rational business decisions, strategic thinking, leadership, and expertise in the profession, honesty and suitable personal qualification.

The foremost criteria for nominating director candidates shall be the candidates' skills and experiences, professional qualification, business knowledge and experience as well as personal qualities and integrity. Consideration shall also be given to the benefits of diversity such as gender, age, ethnicity, and nationality.

(2) Remuneration of Directors and Executives

(2.1) Remuneration of Directors

The Remuneration Committee shall consider the criteria and principle and the form of remuneration for directors and make its recommendation to the Board. The Remuneration of directors shall be approved by the shareholders' meeting. Comparison shall be made to other companies in the same industry, of the same experience, commitment, scopes of roles and responsibilities as well as the remuneration survey of other companies listed on the SET. The remuneration shall be set at a level sufficient to attract and retain qualified persons.

(2.2) Remuneration of Executives

The remuneration of Executives shall be in accordance with guidelines and policy set by the Remuneration Committee from time to time. The remuneration shall be commensurate to job scope competence and the

performance of the Company. The Remuneration Committee shall recommend the appropriateness of remuneration to the Board for review and approval. The remuneration structure rewards individual performance and incentivises the Executive Directors, Managing Director and key executives to act in support of the Company's objectives and goals, and fosters the long-term commitment of the Company performance.

(3) The independence of the Board of Directors from the Management

The Board of Directors consists of 4 independent directors, 1 non-independent and non-executive director, 1 non-executive director and 3 executive directors, with the number of independent directors exceeding the minimum criteria set by the SEC.

Non-executive directors may hold meetings among themselves without the management present at the meeting in order to discuss management issues of interest. The result of the meeting shall be reported to the Managing Director.

(4) The director development

(4.1) Board and Management Training

The Company arranges orientation for new directors and management, which includes factory tour to observe production processes as well as introduction to the nature of business of the Company and its subsidiaries. The following documents would be provided to the new directors:-

1. Listed Company Director Handbook containing topics such as roles and responsibilities, restrictions that directors should not do as they are prohibited by relevant law, roles and responsibilities of sub-committees
2. Principles of Good Corporate Governance and Code of Business Conduct of the Company
3. Memorandum and Articles of Association of the Company
4. The latest annual registration statement / annual report (Form 56-1 One Report)

Furthermore, the Board of Directors has a policy to encourage and promote continuous training and development of directors, Managing Director, executives, and employees, which is relevant to their roles to enhance their knowledge, skills and useful experiences related to the operation including useful information related to the business that will drive the Company toward its goals.

(4.2) Succession Plan

The Company has prepared for succession plan by recruiting management trainees to develop knowledge and ability for being company future executives. In addition, the Company assigns the following persons to take charge and act on behalf in case the Managing Director is unable to function, namely,

1. Vice President – Account and Finance to act and make decision regarding the finance and accounting of the Company;

2. Ms. Piyathida Sukchan to act and make decision in other matters of the Company.

(5) The assessment of duty performance of directors

(5.1) Board Self-Assessment

The Company shall have the Board assess themselves using the assessment form of the SET's Corporate Governance Center. The assessment will be done once each year in December. Each director shall hand in the completed assessment form to the Company Secretary to compile and report to the Board so that improvement can be considered.

(5.2) Assessment of Managing Director

The Board of Directors conducts an annual performance assessment of Managing Director by determining the Key Performance Indicators reflected by the Company's operating performance in both quantitative and qualitative terms. The Remuneration Committee, comprises majority of whom are independent directors and its Chairman is an independent director, is responsible to consider such key indicators which are transparent and suitable with the business of the Company. Categories of the assessment are as follows:-

1. Leadership
2. Strategic planning and performance
3. Financial planning and financial performance
4. Relationship with the Board of Directors
5. Risk management and internal control
6. Wealth creation to shareholders

(6) Supervision of subsidiaries, associated companies, and joint venture

The Company can appoint senior executives to hold directorship or executive positions in subsidiary, associated companies, joint venture or other related companies in the group of companies. This is to supervise the management to be in accordance with the principles of good governance and for the maximum benefit of the group of companies. However, in case of holding positions in companies other than those in the same group, prior approval must be obtained from the Managing Director.

6.1.2 Policy and guidelines related to shareholders and stakeholders

(1) Equitable Treatment of Shareholders

- Regardless of their gender, age, skin color, race, nationality, religion, belief, political preference, or any physical handicap, the Company values all shareholders by protecting their fundamental rights equally and fairly, including applies the one share one vote principle to ensure the investment confidence.
- The Company shall provide a proxy form B, in which a shareholder can give comments on his votes, enclosed in the meeting notices stating clearly the required documents and procedure for appointment of proxy to attend the meeting. A shareholder who cannot attend the meeting in person but

would like to exercise his voting right may appoint another person as proxy to attend and vote at the meeting. He may also appoint an independent director as his proxy.

- The Company establishes the policy for prevention of utilising insider information, and informs the same to employees, executives, and directors.
- The Company discloses business connected transactions with its subsidiary, which is normal business on fair and at arm's length basis.

(2) Right of Shareholders

- The Company shall hold an Annual General Meeting of Shareholders (AGM) within 4 months of the end of the Company's fiscal year. The meeting will consider the annual registration statement / annual report (Form 56-1 One Report) of the Board of Directors presenting the operational performance of the past year, statements of financial position, statements of comprehensive income, dividend distribution and legal reserve appropriation, election of directors to fill the vacancy caused by expiration of service term, director's remuneration, appointment of auditor and auditor's remuneration.
- For Annual General Meeting of Shareholders (AGM), the Company shall separate the agendas between the appointment of directors and the director's remuneration. The Company provides the ballot to shareholders or applies an electronic platform (as the case may be) to use for proposing candidates and voting directors as an individual.
- The Company shall hold an extraordinary general meeting of shareholders as the Board of Directors thinks fit. One or more shareholders holding shares in aggregate of at least ten (10) percent of the total number of issued shares may together join the name list in writing to request to the Board of Directors to call for an extraordinary meeting at any time. However, it is necessary to specify the subject and the reasons for calling such meeting to be clearly stated in such request. The Board of Directors shall proceed to call a shareholders' meeting to be held within forty-five days from the date of receipt of such request from the said shareholders.
- The Company shall disclose the Board resolutions regarding the determination of AGM date and the meeting agendas with the reasonable details through the SET online system and the Company's website no later than the next working day after the Board having resolution.
- In calling a shareholders' meeting, the Company shall prepare a written notice calling the meeting that states the place, date, time, agenda of the meeting and the matters to be proposed to the meeting with reasonable details by indicating clearly whether it is the matter proposed for information, for approval or for consideration, as the case may be, including the opinions of the Board of Directors in the said matters, and the said notice shall be delivered to the shareholders and the Registrar for their information at least 21 days prior to the date of the meeting.
- At a shareholders' meeting, in order to constitute a quorum, there shall be shareholders and proxies (if any) amounting to not less than 25 persons and holding shares amounting to not less than one-third of the total number of shares issued. The Chairman of the Board of Directors shall be the chairman of the meeting and conducting the meeting according to the

- sequence in the agenda stated in the meeting notice, and it is the policy not to add items to the agenda without advance notice to shareholders.
- In a regular agenda, the ballot shall be used in the event any shareholder would like to cast a negative vote or abstain from voting. The ballot shall always be used in important agenda such as election of directors, approving connected transactions, acquisition or disposal of assets, amendment of memorandum of association and articles of association.
 - The Company shall ensure that shareholders have the opportunity to propose the agenda for AGM as it deems material and beneficial including to propose candidate for selection as director in advance, and to submit questions which are related to the Company prior the meeting date, the procedures of which are published on the Company's website.
 - Adequate time shall be allocated for the meeting and equal opportunities provided for shareholders to express their opinions and ask questions.
 - The Company's policy to facilitate and encourage shareholders to attend and participate at the shareholders' meeting has been established and posted on its website.
 - The Company shall post meeting documents and meeting notices in both Thai and English languages on its website at least 30 days prior to the meeting date so that the shareholders can study the information for the meeting in advance.
 - The Company shall ensure that shareholders have the opportunity to ask questions and shall record important issues raised by the shareholders and explanation of the Board as well as recording clearly the number of affirmative votes, negative votes, and abstained votes, in the meeting minutes, once having votes in any respective agenda. Two shareholders are invited to act as witness in the counting of votes, and VDO has been recorded during the meeting until the meeting finishes.
 - The Company shall disclose the resolutions together with voting result through the SET online system within the next day after the meeting date.
 - The Company shall post a draft minutes of the shareholders' meeting on the Company's website within 14 days of the completion of the meeting. The shareholders may inspect the correctness and may make objection if necessary without having to wait until the next meeting to do so.
 - The Company participates in SET Opportunity Day, arranged by the Stock Exchange of Thailand. The objective of the event is to provide an opportunity for listed companies to carry out investor relations activities and to clarify information about the business and operations to security analysts, investors and the media who attending the event. The Company always joins the activity at least once a year.

(3) Prevention of use of inside information

To prevent directors and executives from using inside information for personal gains and disclose it to outside parties, the Company sets the following rules:-

- Executives shall report their holding of LST's shares and report change of holding to the SEC according to section 59 of the Securities and Exchange Act B.E. 2535 within 3 days of the transaction date and handing copy thereof to the Company Secretary as well as report shareholding to the Board every quarter. Future change of law (if any) shall also enforceable.

“Executives” means directors, managers or first 4 management officers ranking immediately below the Managing Director. This shall include management level of accounting or finance officers or equivalence who have the duty to prepare and file report of shareholding in his own name, spouse and minor child to the SEC.

- Directors, executives, managers and employees who have access to inside information shall be prohibited from disclosing such information to outside parties who has no duty involving the Company.
- Directors, executives, managers and employees who have access to inside information shall refrain from buying and selling Company’s shares starting from the end of accounting period (quarter-end or year-end) until two days after the date of financial statements being disclosed.
- Directors and executives shall notify the Company Secretary about their transaction (buy and sell) of the Company’s shares at least 1 day before the transaction date and notify SEC within 3 business days after transaction date as specified by the Securities and Exchange Act.
- Directors, executives, managers and employees shall be prohibited from using inside information that may materially affect the LST share price, which has not yet disclosed to the public, for personal gains and/or persuading other persons to buy or sell LST shares. The Company shall take action against violation of the rule which shall be punishable by law.

(4) Approval of transaction containing conflict of interest

Directors, executives, or other persons, who enter into related party transaction or transaction containing potential conflict of interest and transaction regarding acquisition or disposal of material assets as defined by the Notifications of the SEC and the SET which are in force on the date of such transaction, shall strictly follow the Notifications. The Company has set the criteria to approve the transaction as follows:-

- (1) Person with interest or potential conflict of interest shall refrain from approving such related transaction;
- (2) The price or compensation for such transaction shall be under normal business terms and conditions with the benefit of the Company as the main consideration;
- (3) The Audit and Corporate Governance Committee shall review and give opinion prior to the transaction. If the Audit and Corporate Governance Committee has no expertise in the matter, the Company shall arrange to have independent expert to give opinion to the Audit and Corporate Governance Committee which will be used to review the matter before submitting to the Board and the shareholders’ meeting for approval.
- (4) The Company shall disclose the transaction according to the rule and procedure set out by the SEC and the SET.

(5) Responsibility towards stakeholders

(5.1) Role of Stakeholders

The Company has a policy that recognises the rights and interests of all groups of stakeholders whether they are employees, shareholders, creditors, customers, trade-counterparts, competitors, community and society. The expectations of one group of stakeholders may be different from another group. Therefore, the Company shall ensure that the rights of each group will be protected according to relevant laws and handled carefully and with sensitivity. Procedures are stated as the Company's policy namely Policy and Practice toward stakeholders, and published on the Company's website as follows:-

- Policy and Practice toward shareholders
- Policy and Practice toward customers
- Policy and Practice toward business partners
- Policy and Practice toward competitors
- Policy and Practice toward creditors
- Policy and Practice toward employees
- Policy and Practice toward community, society, and environment
- Policy and Practice toward human-right respect
- Policy and Practice toward the intellectual property and copyright
- Policy and practice towards quality, safety, and occupational health
- Policy and Practice toward anti-corruption and bribery

Furthermore, the Company has implemented various standards from the quality management system to enhance focusing on role of stakeholders such as:-

- **ISO 9001** is the Quality Management System (QMS) which governs the design, production development, installation and service in order to assure the quality. This system ensures all processes have been controlled and inspected by documentation indicating working procedure.
- **GHPs** is the system of good manufacturing practice which is to assure the quality of food and the safety for consumption. The system covers all process starting from the location of manufacturer, factory structure, good and quality manufacturing system to meet the standard of each step such as production planning, the control of raw materials during the process and then finished products, storage, quality control and transportation to consumers. In addition, there is the inspection, monitoring of the product quality and having a good system of hygiene.
- **Hazard Analysis and Critical Control Point (HACCP)** is the system to control and monitor food safety standards in every production process in order to prevent hazards and contaminants in food during the production process.
- **ISO 45001** is the standard for occupational health and safety management systems in workplace. It is the method to control and reduce hazard and risks from working that affect health, life and properties.

- **Food Safety System Certification 22000 (FSSC 22000)** is a globally recognised high standard that concerns the quality assurance and food safety. It ensures the consumer's confidence and emphasise the sustainable business growth, covering both systems of ISO 22000 and ISO/TS 22002-1.
- **ISO 14001** is the environment management system. This globally recognised standard has objective for enhancing the awareness of the importance for environmental management together with business development focusing on preventing pollution and protecting the environment.
- **Roundtable on Sustainable Palm Oil (RSPO)** is the standard for the sustainable palm oil production taking into recognition of the impacts on stakeholders especially the forest as being the source of water. This standard applies throughout the supply chain from upstream to producers.
- **Thai Labour-standard (TLS 8001)** is the rule and practices in relation with the labour employment and working conditions such as wages, working hours, holidays and work safety.

The Company conducts its activities with the concern of safety, health and environment. Management and employees at all levels have committed to carry out their functions with responsibility.

In 2023, there were 8 cases of working accident but no employees of the Company suffered serious injury or death in workplace.

(5.2) To disclose information on the interest of directors, executives, and related persons

In order for the Board to make decision based on the common benefit of the Company and to have directors, executives who have transaction with interest involving the Company business to comply with the Notification of the Capital Market Supervisory Board no. Tor Jor. 2/2552 re: Reporting of interest of directors, executives and related persons, the Company sets the following rules:-

- Directors, Executives and related persons who have transaction with interest in relation to management of the Company or its subsidiary with the value of 1 million Baht or more, or 0.03% of the Net Tangible Assets (NTA) of the Company or its subsidiary, whichever amount is higher, shall file a report to the Company Secretary, according to the report form, within 7 business days from the date of transaction. Every time when there is a change of the transaction, such change must be reported within 7 business days from the date of change.
- The Company Secretary shall submit a copy of the report on interest under paragraph 1 to the Chairman of the Board and Chairman of the Audit and Corporate Governance Committee within 7 business days from the date of receipt of such report.
- Directors and Executives who have interest in any meeting agenda item which is under consideration shall not participate in making decision and

shall leave the meeting room. The Company will not send document related to the said agenda to such interested persons.

- The Company shall disclose such interest in the annual registration statement/annual report (Form 56-1 One Report).

(5.3) Nurture Innovation and Responsible Business

The Board of Directors prioritises and promotes research & technology development and innovation that create value for the business together with the benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the Company. The Board also supervises the management to allocate and manage resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet its objectives with sustainability.

(5.4) Measure of redress and damage compensation

If the Board of Directors determines that a stakeholder has suffered damages from any violation of law by the Company, the Board shall take steps to redress the problem as soon as possible as well as finding measure to prevent recurrence of the problem. Appropriate compensation will be given to the person suffered from violation of law.

(5.5) Measure of Cyber Security

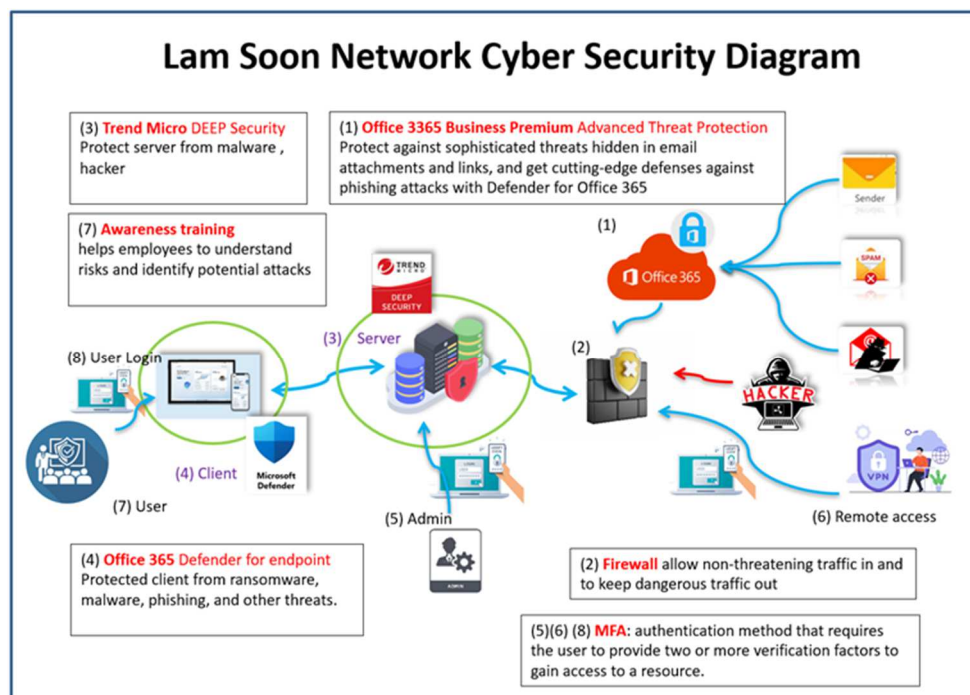
The Company realises the importance of Cyber Security; therefore, the Company takes preventive measures and plans for cyber-attack to raise awareness among employees and reduce the possibility of being attacked, for example training programs on cyber threats are regularly conducted as well as cyber risk alert being notified.

Additionally, the study of potential cyber-crime attacks, monitoring, and assessment of possible IT risks and cyber threats are regularly conducted. Such measurements have been able to improve cyber security and establish effective plans.

The current Cyber Security System of the Company is prepared to respond to the cyber-attacks as follows:

- Protect the information with advanced capabilities with anti-malware and anti-spam filtering to protects mailboxes.
- Protect against attacks on all devices and trigger alert if there is any potential risk.
- Secure backup system which can be reused if damaged.
- Prevent attacks and access to network from unauthorised and malicious sources
- Require multi-factor authentication for all users to safeguard the organization's data and applications
- Enhance employees' knowledge, skills, and awareness of IT safety practices for the use of computers and data to avoid viruses, malware or cyberattacks

The structure of the Cyber Security System could be shown as follows.



(6) Anti-corruption action and measures

(6.1) Anti-Corruption Policy

The Company Group has announced an official anti-corruption policy which was reviewed and approved by the Board of Directors. The details are as follows:

“Directors, management, and employees of the Group are prohibited from requesting, performing or accepting corruption in any form, whether directly or indirectly. This shall be applicable to all business units of the Group. Regular reviews on compliance with the anti-corruption policy shall be made, as well as reviews on implementation to ensure compliance with the policy, practices, regulations, rules, notifications, and laws. In case of breach of the policy, any act considered as facilitative to, or implicated in corruption, shall be subject to penalties as stipulated by the Group policies.”

Communication and public relation activities under anti-corruption policy including complaint/suggestion making and whistle-blowing channels are carried out via both internal and external media e.g. electronic mail, announcement, the Group’s website, annual registration statement / annual report (Form 56-1 One Report), orientation for directors and employees including arranging a discussion on yearly basis to ensure mutual understanding among employees. Such policy is complied with the law of Thailand for the actions against corruption.

The risk management committee will assess potential fraud risks. In the event that such risks arise, the risks will be reported to the Audit and Corporate Governance Committee and the Board of Directors.

(6.2) Practice towards oversight and control for safeguarding and monitoring the corruption risk

The Company establishes the practice towards oversight and control for safeguarding and monitoring the corruption risk summarised as follows:-

1. To provide internal control system, internal audit function, and risk management covering key business functions such as accounting, payment, procurement in order to prevent and monitor the corruption risk as well as to recommend any appropriate solutions
2. To put in place complaint-making and whistle-blowing channels, covering complaint-filing, verification, and summary of findings, together with protection of the complainants and related parties. The purpose is to handle complaints, comments, or suggestions from stakeholders that are affected or potentially affected by the Group's business or conduct of its directors, executives, or employees resulting from law-breaking or violation of the code of conduct, as well as suspected corrupt practices.

The Group will keep their complaints confidential and not disclose them to unrelated parties except when required by law.

Those with knowledge of complaints or related information must maintain confidentiality and not disclose it except when required by law. If this is intentionally violated, the Group will punish them under its regulations or the law, or both, as seen fit.

3. Executives in each unit are responsible for monitoring the progress of the complaint and report to the Audit and Corporate Governance Committee and the Board of Directors for acknowledgement.

(7) Ensure Disclosure and Financial Integrity

(7.1) Disclosure and Transparency

The Company recognises the importance of timely disclosure of information that shareholders may use for their investment decision as well as decision in exercise their votes at the shareholders' meeting. The Company periodically assesses the efficiency of information disclosure. The following information is regularly disclosed.

- Disclosure of the following in Thai and English and update of the information in the Company's website
 - Principles of Good Corporate Governance
 - Policy and Practice toward stakeholders including environment policy; anti-corruption policy; quality, safety, and occupational health policy etc.
 - Code of Business Conduct
 - Nature of Business
 - Business Structure
 - Shareholder Structure

- Structure of the Board of Directors
 - Vision/Mission
 - Articles of Association
 - Annual registration statement / annual report (Form 56-1 One Report)
 - Financial Statements
 - Shareholders' Meeting notices and meeting documents
 - Minutes of the Shareholders' Meetings
 - News published by the Company
- Periodically submit accurate, complete, and timely information to the SET and the SEC such as Financial Statements, annual registration statement / annual report (Form 56-1 One Report)
 - News on important changes which may have material impact on the share price according to the regulations of the SET
 - The Board of Directors assumes the responsibility for the accuracy, completeness and timely manner of the Company's financial reporting and information disclosure in accordance with relevant guidelines including rules and generally accepted accounting standards with appropriate accounting policies which are applied and consistently conformed. The report shall be audited by an external auditor and reviewed by the Audit and Corporate Governance Committee to ensure that sufficient disclosure is made and it can reflect the Company's financial status and operating performance.
 - The Executive Directors shall be responsible for communicating with investors both individual and institutional, shareholders, security analysts and relevant government sectors. Information can be requested from Tel: 02-361 8959-70 or Fax: 02-361 8988-9 or by email: company.secretary@lamsoon.co.th or through the Company's website.

(7.2) Financial Liquidity and Solvency

The Board of Directors assigns the management to regularly monitor and evaluate the Company's financial status and report to the Board of Directors on regular basis. The Board of Directors and the management will ensure that any potential threats to the Company's financial liquidity and solvency are promptly addressed and remedied.

The Company emphasises its trustworthiness and therefore, strictly conforms with conditions and agreements made with creditors in order to create reliability. The Company always pays all interest and principle accurately, timely, and completely. Also, the Company shall not use loans proceeds in the way that is contrary to its objectives nor conceal any information that may be harmful to creditors.

In the event that the Company is unable to comply with any condition of an agreement, the Company will immediately inform the creditor so as to find a reasonable and mutually-acceptable solution. The Company strives to maintain good relationships and mutual trust with creditors. However, the Company has controlled the capital management at appropriate level to prevent the Company from experiencing difficulties in repaying creditors. There is also a liquidity management on debt repayment to meet the maturity

in a timely manner. The management is responsible for planning, monitoring and controlling the financial position of business sector to cover the significant risks under either normal circumstances or crisis.

6.2 Code of Business Conduct

The Company recognises that following code of conduct on the part of executives and employees is necessary for the sustainability and achievement of the Company in the long term. The Company believes that the code of business conduct is a basic foundation for promoting and upgrading good corporate governance. The Company has updated its code of business conduct as a codification of good behaviour patterns which have been approved by the Board of Directors and announced to all directors, executives and employees. The Company has subsequently monitored the compliance to the code strictly and regularly.

Code of Business Conduct was first compiled in officially written format in 2009. The Board of Directors Meeting No.6/2023 on 10 November 2023 approved to revise and update Code of Business Conduct as the second revision (R.02) which was updated in accordance with the current situation and in line with the new guidelines for good corporate governance including guidelines for sustainable development.

The Company has disclosed the Code of Business Conduct on the Company's website : <https://lamsoon.co.th/wp-content/uploads/2024/03/LST-CODE-OF-BUSINESS-CONDUCT-Booklet-EN-11032024ver.Final .pdf>

The Company also discloses other policies including:-

- Sustainability Policy
- Social responsibility and labour Policy
- Safety, Health and Environment Policy
- Energy Management Policy
- Food Quality and Safety Policy
- Halal food quality Policy
- Laboratory Quality Policy

In addition, the Board of Directors defined the Company's objectives and goals to promote sustainable value creation in the form of the Company's vision, mission, business goal and strategy and corporate culture, including encouraging the communication among personnel at every level to move forward the Company in the same direction. Furthermore, the Board of Directors monitors and ensures that the Company's strategies are put into practice. At least once a year, the Board of Directors follows up on the management performance and requires that there must be a report on the Company's operation and business performance, especially the performance against financial targets and action plans, to make sure that the established strategies are being accomplished.

Vision

Be the leading food and food-related Company with sustainable growth and development

Mission

1. Manufacturing and distributing high quality and nutritious food product together with innovative production to fulfill customer requirements as well as providing the best services and building capacity which is able to be competitive in the future;
2. Employing advanced technology with international management system as well as taking care of the environment, communities, and society;
3. Building trust and confidence toward our customers, and allocate compensation or dividend to shareholders, and other stakeholders appropriately. Moreover, healthy, safety, and welfare of all employees are always taken into highly consideration

Corporate Culture

- 1) **Accountability** : Being responsible of assigned duties and work together towards a common goal
- 2) **“Can-do” attitude** : Having a positive attitude, being enthusiastic and motivated, and working with happiness and enjoyment
- 3) **Teamwork** : Being reliable, communicate openly and work together by taking into account the best result
- 4) **Continuous improvement** : Striving to improve working procedure and exploring new method to develop products and services
- 5) **Take care of people** : Being a caregiver, having senses of fairness and equality and creating work-life balance

For more details, please refer to website :

<https://lamsoon.co.th/wp-content/uploads/2024/03/นโยบายบริหารกำกับดูแลกิจการ-2566.pdf> (for Thai)

<https://lamsoon.co.th/wp-content/uploads/2024/03/Corporate-Governance-Policy-2023.pdf> (for English)

Business Goal and Strategy

The Company commits to achieving the business goal with transparency awareness, ethical integrities, respect for human rights, sustaining well-being communities and the environment, and applying superior technology advantage to increase production efficiency and promote the marketplace and environmental friendliness. All these orientations are vital in attaining the topmost organisation targets i.e. the Company’s values, the stakeholder benefits, and consistently contributing to shareholders’ wealth in the longer term.

6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year

6.3.1 The Implementation of Corporate Governance Code for Listed Companies

The Company has reviewed the Corporate Governance Policy, developed from the 2012 Good Corporate Governance Principles for listed Companies in aligning with the guideline set by the Stock Exchange of Thailand, and the 2023 Corporate Governance Criteria for Listed Companies as prescribed by Thai Institute of Directors (IOD). After consideration, the Board of Directors founded that the Company has adopted most principles that are suitable for the Company's business.

The Company received a score of **96%** according to the Corporate Governance Report of Thai Listed Companies for 2023 evaluated by IOD.



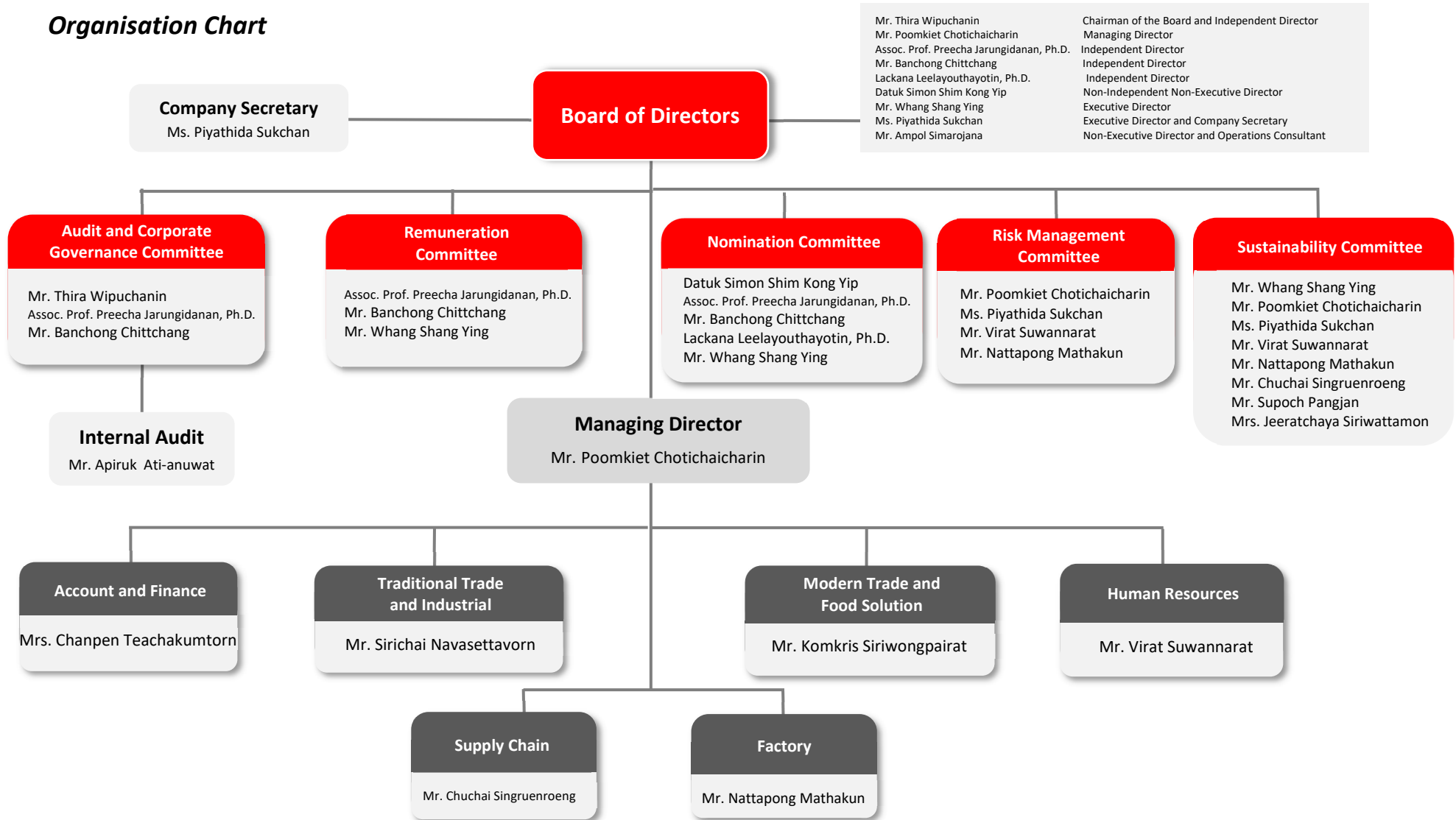
6.3.2 CG Code that has not adopted

However, there are some principles that the Company has not adopted or put into practice, which the management clarified the reasons at the Board Meeting to adjust and ensure the suitability for the Company's business at the next step. The key non-conformed principles are included as follows:-

Principles not exercised	Reasons for not exercising
1. Role of stakeholders and sustainable business development	
To set and disclose the energy management goals including water resources, waste control and/or pollution reduction, and greenhouse gas emissions reduction from business operations in terms of quantity and percentage.	Under process
2. Board responsibilities	
To set a policy that independent directors can continually assume director positions for not longer than 9 years since the date of the first appointment, without any exceptions.	<p>Every Director has knowledge, capability, experience and an understanding in the business operation, with independence in expressing opinions deemed beneficial for the Company.</p> <p>The experience of Directors from long-term tenure will support them to understand the Company's operation which has the particular nature of business.</p>
The Company should not have independent directors that assume director positions for longer than 9 years.	<p>Every Director has knowledge, capability, experience and an understanding in the business operation, with independence in expressing opinions deemed beneficial for the Company.</p> <p>The experience of Directors from long-term tenure will support them to understand the Company's operation which has the particular nature of business.</p>
To consider the appointment of the Sustainable Development Committee consisting of at least one director and disclose the Charter or its roles and duties.	Completed in 2023
Sustainable Development Committee to prepare and publish SD report that fully disclose the results of its performances.	Under process

7. Corporate Governance Structure and Material Facts Related to the Board of Directors, Committees, Executives, Employees, and Others

Organisation Chart



Board of Directors comprises 4 Independent Directors, 1 Non-Independent Non-Executive Director, 1 Non-Executive Director, and 3 Executive Directors.

- | | |
|--|--|
| (1) Mr. Thira Wipuchanin | Chairman of the Board and Independent Director |
| (2) Mr. Poomkiet Chotichaicharin | Managing Director |
| (3) Assoc. Prof. Preecha Jarungidanan, Ph.D. | Independent Director |
| (4) Mr. Banchong Chittchang | Independent Director |
| (5) Lackana Leelayouthayotin, Ph.D. | Independent Director |
| (6) Datuk Simon Shim Kong Yip | Non-Independent Non-Executive Director |
| (7) Mr. Whang Shang Ying | Executive Director |
| (8) Ms. Piyathida Sukchan | Executive Director and Company Secretary |
| (9) Mr. Ampol Simarojana | Non-Executive Director and Operations Consultant |

Audit and Corporate Governance Committee comprises 3 Independent Directors.

- | | |
|--|---|
| (1) Mr. Thira Wipuchanin | Independent Director and Chairman of Audit and Corporate Governance Committee |
| (2) Assoc. Prof. Preecha Jarungidanan, Ph.D. | Independent Director and Member of Audit and Corporate Governance Committee |
| (3) Mr. Banchong Chittchang | Independent Director and Member of Audit and Corporate Governance Committee |

Remuneration Committee comprises 2 Independent Directors and 1 Executive Director.

- | | |
|--|---|
| (1) Assoc. Prof. Preecha Jarungidanan, Ph.D. | Independent Director and Chairman of Remuneration Committee |
| (2) Mr. Banchong Chittchang | Independent Director and Member of Remuneration Committee |
| (3) Mr. Whang Shang Ying | Executive Director and Member of Remuneration Committee |

Nomination Committee comprises 3 Independent Directors, 1 Non-Independent Non-Executive Director, and 1 Executive Director.

- | | |
|--|---|
| (1) Datuk Simon Shim Kong Yip | Non-Independent Non-Executive Director and Chairman of Nomination Committee |
| (2) Assoc. Prof. Preecha Jarungidanan, Ph.D. | Independent Director and Member of Nomination Committee |
| (3) Mr. Banchong Chittchang | Independent Director and Member of Nomination Committee |
| (4) Lackana Leelayouthayotin, Ph.D. | Independent Director and Member of Nomination Committee |
| (5) Mr. Whang Shang Ying | Executive Director and Member of Nomination Committee |

Risk Management Committee comprises 2 Executive Directors and 2 Executives.

- | | |
|----------------------------------|--|
| (1) Mr. Poomkiet Chotichaicharin | Managing Director and Chief Risk Officer |
| (2) Ms. Piyathida Sukchan | Executive Director |
| (3) Mr. Virat Suwannarat | Vice President - Human Resources |
| (4) Mr. Nattapong Mathakun | Bangpoo Plant Manager |

Sustainability Committee comprises 3 Executive Directors and 5 Executives.

- | | |
|-----------------------------------|--|
| (1) Mr. Whang Shang Ying | Executive Director and Chairman of Sustainability Committee |
| (2) Mr. Poomkiet Chotichaicharin | Managing Director |
| (3) Ms. Piyathida Sukchan | Executive Director |
| (4) Mr. Virat Suwannarat | Vice President- Human Resources |
| (5) Mr. Nattapong Mathakun | Bangpoo Plant Manager |
| (6) Mr. Chuchai Singruenroeng | Supply Chain Manager |
| (7) Mr. Supoch Pangjan | Trang Plant Manager |
| (8) Mrs. Jeeratchaya Siriwattamon | Assistant Company Secretary and Head of Sustainability Working Group |

The Directors with the authority to sign for the Company as determined in the Certificate of the Company include Mr. Whang Shang Ying, or Mr. Poomkiet Chotichaicharin, or Ms. Piyathida Sukchan; any two of those jointly sign together with the Company's seal affixed.

The following member of the Audit and Corporate Governance Committee has an experience in reviewing financial statements.

(1) Assoc. Prof. Preecha Jarungidanan, Ph.D.

- Manager of Research and Planning Department, The Siam Commercial Bank Plc. (1992-1995)
- Director and Senior Executive Vice President, Chaopraya Finance and Securities Co., Ltd. (1995-1997)
- Director, Government Savings Bank (2005-2007)
- Director and member of Audit Committee, Small Business Credit Guarantee Corporation (SBCG) (2004-2008)
- Independent Director and member of Audit Committee, Kim Eng Securities (Thailand) Plc. (2002-2015)
- Independent Director and member of Audit Committee, Stars Microelectronics (Thailand) Plc.
- Independent Director and member of Audit Committee, Thai-German Products Plc.

(2) Mr. Banchong Chittchang

- President, Malee Sampran Plc. (1995 – 2004)
- Had led the management team to successfully rehabilitate Malee Sampran Plc. under the strict monitoring by the Stock Exchange of Thailand (1996 – 1998)
- Fellow Member, with Diploma from Thai Institute of Directors, Bangkok (IOD DCP 7/2001); and Chartered Director (IOD Chartered Director Class 1/2007) registered with Thai IOD
- A facilitator of the Strategic Management courses for IOD Director Certification Programmes (IOD DCP) since 2005 until present
- Consulting Director, Thai Institute of Directors

Note : **present** **past**

Procedure for Independent Director Nomination

The Nomination Committee shall have the duty to recruit qualified persons and propose names of suitable candidates to the Board for consideration. The qualification of directors must conform to SEC regulations, and they must be knowledgeable and possess the relevant experience beneficial to the Company.

The Number of Board Meetings and the Attendance of Directors

In 2023, the Board of Directors held 7 meetings, with attendance of each member shown as below:-

Name	Attendance / Total Meetings
(1) Mr. Thira Wipuchanin	7/7
(2) Mr. Poomkiet Chotichaicharin	7/7
(3) Assoc. Prof. Preecha Jarungidanan, Ph.D.	7/7
(4) Mr. Banchong Chittchang	7/7
(5) Lackana Leelayouthayotin, Ph.D.	7/7
(6) Datuk Simon Shim Kong Yip	5/7
(7) Mr. Whang Shang Ying	7/7
(8) Ms. Piyathida Sukchan	7/7
(9) Mr. Ampol Simarojana	5/7

Names and Positions of the Executives

Name	Position
(1) Mr. Poomkiet Chotichaicharin	Managing Director
(2) Mr. Whang Shang Ying	Executive Director
(3) Ms. Piyathida Sukchan	Executive Director and Company Secretary
(4) Mr. Komkris Siriwongpairat	Vice President - Modern Trade and Food Solution
(5) Mr. Sirichai Navasettavorn	Vice President - Traditional Trade and Industrial
(6) Mr. Virat Suwannarat	Vice President - Human Resources
(7) Mrs. Chanpen Teachakumtorn	Vice President – Account and Finance

The Criteria on recruiting Directors and Executives

The Nomination Committee is to recruit the suitable candidates to replace directors whose terms expire in April of each year by including the consideration of candidates proposed by shareholders under the rules and criteria regarding director nomination before submitting to the Board for further consideration. The Board shall submit a list of suitable candidates to the shareholders' meeting for final approval. The qualification of such persons must conform to SEC regulations, and they must be knowledgeable and possess the relevant experience beneficial to the Company.

The qualifications of Independent Directors were presented in under “**Report on Key Operating Results Related to Corporate Governance**”.

In accordance with the Company's Articles of Association, the Company has not determined the number of directors appointed by each group of major shareholders. Directors are elected based on majority voting of attending shareholders.

Directors and Executives holding shares in the Company

Name	No. of shares as of 31 December 2022	Increase (Decrease) in no. of shares during the financial year	No. of shares as of 31 December 2023
(1) Mr. Thira Wipuchanin	-	-	-
(2) Mr. Poomkiet Chotichaicharin	-	-	-
(3) Assoc. Prof. Preecha Jarungidanan, Ph.D.	-	-	-
(4) Mr. Banchong Chittchang	-	-	-
(5) Lackana Leelayouthayotin, Ph.D.	-	-	-
(6) Datuk Simon Shim Kong Yip	-	-	-
(7) Mr. Whang Shang Ying	-	-	-
(8) Mr. Ampol Simarojana	-	-	-
(9) Ms. Piyathida Sukchan	100	-	100
(10) Mr. Komkris Siriwongpairat	-	-	-
(11) Mr. Sirichai Navasettavorn	-	-	-
(12) Mr. Virat Suwannarat	-	-	-
(13) Mrs. Chanpen Teachakumtorn	-	-	-

Company Secretary

Ms. Piyathida Sukchan

Age	55 years
Nationality	Thai
Address	64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260
Shareholdings (Ordinary Shares)	
- Held personally	100 shares (0.000012%)
- Held by spouse or minor children	None
The number of directorships in listed companies	
- Chairman	0 company
- Director	2 companies
Number of years as a director	11 years (date of appointment : 26 April 2013)
Family relation with management	None
Education	M.A. in Development Economics, National Institute Development Administration; B.A. in Economics (Finance), Thammasat University
Director Training Programme	Certificate of Completion DCP 36/2003 from Thai Institute of Directors (IOD) Certificate of Thai Intelligent Investors 1/2012 (TIIP1) from Thai Investor Association and Stock Exchange of Thailand Company Secretary Program (CSP) 114/2020 from Thai Institute of Directors (IOD)
Position in other listed companies	
	<input checked="" type="checkbox"/> Executive Director, United Palm Oil Industry Plc.
Other Experience	
	<input checked="" type="checkbox"/> Director, Lam Soon Holding Co., Ltd.
	<input checked="" type="checkbox"/> Director, Bangkok Edible Oil Co., Ltd.
	<input checked="" type="checkbox"/> Director, Phansrivivat Co., Ltd.
	<input checked="" type="checkbox"/> Director, Phansri Co., Ltd.
	<input checked="" type="checkbox"/> Director, Prachak Vivat Co., Ltd.
	<input checked="" type="checkbox"/> Director, Siam Elite Palm Co., Ltd.
	<input type="checkbox"/> Assistant Vice President for Securities Analysis Dept, Cathay Capital Co., Ltd.
Meeting Attendance in 2023	
	- Attended the Board Meeting 7 times out of 7 times
	- Attended the RMC Meeting 4 times out of 4 times
	- Attended the SC Meeting 2 times out of 2 times

Note : **present** **past**

Annual Registration Statement 2023 (FORM 56-1 One Report)

Lam Soon (Thailand) Public Company Limited

Personnel

Number of Employees

As at 31 December 2023, number of employees were as follows: -

Head Office	91	persons
Bangpoo Refinery	282	persons
Trang Crushing Mill	80	persons
Total	453	persons

Remuneration for Employees and Forms of Remuneration

Total remuneration for employees was at 203.5 Million Baht (2022 : 209.3 Million Baht) paid in forms of : -

- Employee at office : salary, provident fund, and bonus
- Salesperson : salary, provident fund, commission, allowance, fuel cost, car insurance, tire cost, car depreciation, and bonus
- Employee at factory operation : salary or wage, provident fund, overtime pay, allowance, diligent allowance, bonus, and professional fee.

Provident Fund

As of 31 December 2023, there were 407 from a total of 435 eligible employee joining the provident fund, accounting to 93.56%. The fund has been managed by Kasikorn Asset Management Co., Ltd. The information of the fund aligning to the Investment Governance Code (I Code) has been disclosed, as well focusing on the investment by considering ESG (Environmental, Social, and Governance).

Human Resources Development Policy

The Company commits to support and maintain working environment enhancing their efficient contributions. The Company engages in teamwork building and continuous improvement to ensure high performance of human resources as it is believed that the continuous development would strengthen their capability and competence, following an increase in efficiency of the operation and serving customer satisfaction along with building awareness of all employees on the professional ethic.

The Company focuses on human resource development covering in 3 areas namely knowledge and competence development in Functional/Technical Skills, development of Management Skills and development of Leadership Skills. Due to the coronavirus pandemic, coaching, mentoring and On the Job Training (OJT) (both in-house training and public training) are still carried on regularly through self-learning and under several online meeting platforms e.g., Microsoft Teams and Zoom.

The next phase is to review and formulate an Individual Development Plan (IDP) which initially starts at the manager level and then developed continuously to other levels.

In 2023, the average training hours of employees was 16 hours / person and there were a total of 62 training courses provided to employees including the training on environmental management by focusing on the maximum benefit of resource usage. Furthermore, the Company applies various media used in public relations, providing

knowledge and understanding about energy savings and environmental friendly, which are communicated directly and through the training in following major courses:-

- **Energy Conservation Course** is to provide knowledge about the source of energy and good energy management. All new employees are required to learn the energy conservation. In 2023, there were 97 employees attending this course.
- **Environmental Management Course for ISO 14001** is to provide the knowledge about environmental management to meet the standard. All new employees are required to learn the environmental management. In 2023, there were 97 employees attending this course.
- **Occupational Safety Course** is to provide the knowledge about practice and compliance with rules and regulations including the law related to the safety standard. In 2023, there were 97 employees attending this course.

In addition, the Company arranges training courses about **Code of Business Conduct** and **Anti-Corruption Policy** for employees on monthly basis. In 2023, there were 97 employees attending this course.

Details of Board of Directors and Executives

(1) Mr. Thira Wipuchanin

Independent Director, Chairman of the Board, Chairman of Audit and Corporate Governance Committee

Age 75 years
 Nationality Thai
 Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally None
- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 1 company
- Director 0 company

Number of years as a director 3 years (date of appointment : 23 April 2021)

Family relation with management None

Education BA Business Administration and Economics, University of Wisconsin, U.S.A.

Director Training Programme Certificate of Completion DCP 6/2001, ACP 5/2005, DCP Refresher 1/2005 from Thai Institute of Directors (IOD)

Position in other listed companies

- Independent Director, Chairman of the Board, and Chairman of Audit and Corporate Governance Committee, United Palm Oil Industry Plc.
- Independent Director and Chairman of the Board, Precious Shipping Plc.
- Independent Director and Member of Audit Committee, Siam Macro Plc.
- Independent Director and Chairman of Audit Committee, Bangkok First Investment & Trust Plc. (Currently known as Srisawad Finance Public Company Limited)
- Chairman, Interhides Plc.

Position in companies with relating business (specify only non-executive director)

- might have a conflict of interest with the Company None
- others None

Other Experience

- Director, AIRA Advisory Company Limited
- Expert Committee Member, Privatisation Committee of TOT, CAT, PTT, AOT
- Senior Executive Vice President (SEVP), Export-Import Bank of Thailand

Meeting Attendance in 2023

- Attended the Board Meeting 7 times out of 7 times
- Attended the AC Meeting 4 times out of 4 times

Note : **present** **past**

(2) Mr. Poomkiet Chotichaicharin

Managing Director, Chief Risk Officer, and Vice Chairman of the Sustainability Committee

Age 52 years
 Nationality Thai
 Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally None
- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 0 company
- Director 1 company

Number of years as a director 2 years (date of appointment : 1 June 2022)

Family relation with management None

Education Master of Business Administration, Washington State University, USA
 Bachelor of Business Administration, Kasetsart University

Director Training Programme None

Position in other listed companies None

Other Experience

- Managing Director, Thai Glico Co., Ltd & Glico Frozen Thailand Co., Ltd.
- General Manager, P&G Health, Procter & Gamble Trading Thailand Limited

Meeting Attendance in 2023

- Attended the Board Meeting 7 times out of 7 times
- Attended the RMC Meeting 4 times out of 4 times
- Attended the SC Meeting 2 times out of 2 times

Note : *present* *past*

(3) Assoc. Prof. Preecha Jarungidan, Ph.D.

Independent Director, Member of Audit and Corporate Governance Committee, Chairman of Remuneration Committee, and Member of Nomination Committee

Age 78 years
 Nationality Thai
 Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally None
- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 0 company
- Director 3 companies

Number of years as a director 17 years (date of appointment : 14 June 2007)

Family relation with management None

Education Ph.D. (Economics : Monetary Theory)
 University of Missouri, Columbia, U.S.A.

Director Training Programme Certificate of Completion DAP 9/2004,
 DCP 89/2007, ACP 24/2008
 from Thai Institute of Directors (IOD)
 Certificate of Completion, Corporate
 Governance for Capital Market Intermediaries
 (CGI 2/2015)

Position in other listed companies

- Independent Director, Chairman of Audit Committee, and Chairman of Nomination & Remuneration Committee, Stars Microelectronics (Thailand) Plc.
- Independent Director and Member of Audit Committee, Thai-German Products Plc.
- Independent Director and Member of Audit Committee, Kim Eng Securities (Thailand) Plc.
- Manager of Research and Planning Department, The Siam Commercial Bank Plc.

Position in companies with relating business (specify only non-executive director)

- might have a conflict of interest with the Company None
- others None

Other Experience

- Distinguished Scholar, Member of Advisory Board, and Special lecturer of NIDA Business School, National Institute of Development Administration (NIDA)
- Chairman of National Institute of Development Administration (NIDA) Council
- Director and Member of Audit Committee, Small Business Credit Guarantee Corporation (SBCG)
- Director General, National Institute of Development Administration (NIDA)
- Director, Government Savings Bank
- Vice-President for Planning Affairs, National Institute of Development Administration (NIDA)
- Dean of The Faculty of Business Administration, National Institute of Development Administration (NIDA)
- Director and Senior Executive Vice President, Chaopraya Finance and Securities Co., Ltd.

Note : **present** **past**

Meeting Attendance in 2023

- Attended the Board Meeting 7 times out of 7 times
- Attended the AC Meeting 4 times out of 4 times
- Attended the RC Meeting 2 times out of 2 times
- Attended the NC Meeting 3 times out of 3 times

(4) Mr. Banchong Chittchang

Independent Director, Member of Audit and Corporate Governance Committee, Member of Remuneration Committee, and Member of Nomination Committee

Age 76 years
 Nationality Thai
 Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally None
- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 1 company
- Director 2 companies

Number of years as a director 17 years (date of appointment : 14 June 2007)

Family relation with management None

Education Master of Science in Mechanical Engineering, University of Akron, U.S.A.
 Bachelor of Engineering (Second Class Honors) in Mechanical Engineering, Chulalongkorn University

Director Training Programme Certificate of Completion from Thai Institute of Directors (IOD) DCP 7/2001 (Fellow Member), CDC 1/2007, DCP Refresher 5/2007, RCC 7/2008, DCP Update 1/2014, DLCP 0/2021, ESG 0/2023

Position in other listed companies

- Independent Director, Member of Nomination and Remuneration Committee, and Chairman of Business Strategic Committee of Thai Optical Group Plc.
- Chairman and Independent Director, TPBI Plc.
- President, Malee Sampran Plc.

Position in companies with relating business (specify only non-executive director)

- might have a conflict of interest with the Company None
- others None

Note : *present* *past*

Other Experience

- Advisor to the Board of Directors, Thai Institute of Directors
- Chartered Director registered with Thai Institute of Directors
- Facilitator for IOD Strategy courses
- Honorary member of Thai Institute of Directors, Thai Institute of Directors
- Director, Thai Investors Association
- Vice Chairman of the Food Processing Industry Club, Federation of Thai Industries
- Councilor of Thailand Management Association
- Board Member, Thai Institute of Directors

Meeting Attendance in 2023

- Attended the Board Meeting 7 times out of 7 times
- Attended the AC Meeting 4 times out of 4 times
- Attended the RC Meeting 2 times out of 2 times
- Attended the NC Meeting 3 times out of 3 times

(5) Lackana Leelayouthayotin, Ph.D.

Independent Director and Member of Nomination Committee

Age 71 years
 Nationality Thai
 Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally None
- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 1 company
- Director 3 companies

Number of years as a director 9 years (date of appointment : 1 April 2015)

Family relation with management None

Education Doctor of Business Administration (DBA), Marketing, University of Southern Queensland, Australia

Master of Business Administration (MBA), Marketing, Catholic University of Leuven, Belgium

Bachelor of Science (BSC), Chemistry, Chulalongkorn University

Director Training Programme Certificate of Completion for Advanced Audit Committee
 Program AACP30/2018 from Thai Institute of Directors (IOD)
 Certificate of Completion DCP 225/2016 from Thai Institute of Directors (IOD)
 Certificate of Corporate Governance for Directors and Top Executives of State Enterprises and Public Organizations from Public Director Institute (PDI), King Prajadhipok's Institute, 15/2016

Note : present past

Cyber Resilience Leadership: Herd Immunity 2021 by Bank of Thailand in collaboration with the Securities and Exchange Commission and the Office of Insurance Commission

IOD National Director Conference 2019: Board of the future, Thai Institute of Directors (IOD).

TLCA Leadership Development Program, 2017, International Institute for Management Development

Advance Executive Program, 1999, Kellogg School of Management, Northwestern University, U.S.A

Exclusive workshop for SCB Boardroom: Vision-Driven Purpose, The Siam Commercial Bank Public Company Limited and Thai Institute of Directors Association.

Position in other listed companies

- Independent Director / Chairman of Nomination and Remuneration Committee / Chairman of the Risk Management and Corporate Governance Committee and Audit Committee, BBGI Public Company Limited
- Independent Director, Chairman of the Audit Committee, and Member of Nomination and Remuneration Committee, Techno Medical Plc.
- Chairman of the Board of Directors and Independent Director, Rojukiss International Plc.
- Independent Director and Member of the Executive Committee, The Siam Commercial Bank Plc.
- Director, GMM Grammy Plc.

Position in companies with relating business (specify only non-executive director)

- might have a conflict of interest with the Company None
- others None

Other Experience

- Independent Director and Audit Committee, Shera Plc.
- Independent Director, Bangchak Retail Co., Ltd.
- President of the Foundation for Education of the Marketing Association of Thailand (MAT)
- Chairman, Voluntary Blood Donors Committee and member of the Recruitment and Promotion of Voluntary Blood Donors Committee, Thai Red Cross Society
- Vice President, Chulalongkorn University Alumni Association under Royal Patronage of His Majesty the King
- Committee, The Fund for patients and hospitals of Somdet Phra Nyanasamvara Somdet Phra Sangharaj Wat Bovoranives Vihara Foundation under Royal Patronage of His Majesty the King
- Committee, Somdet Phra Nyanasamvara Somdet Phra Sangharaj Wat Bovoranives Vihara Foundation under Royal Patronage
- Chairman of the Fund Management Committee, Thailand Institute of Scientific and Technological Research National Innovation Agency (Public Organization)
- Committee, Siam Commercial Foundation

Note : ■ *present* □ *past*

- Consultant, Brand's Suntory (Thailand) Co., Ltd.
- Managing Director, Adviser and Beyond Co., Ltd
- Director and Chairman of the Audit Committee, Thailand Institute of Nuclear Technology (TINT)
- Director, The ONE Enterprise Co., Ltd.
- Executive Director, Cerebos Pacific Limited, Singapore
- Chief Executive Officer of Health Supplement Division, Cerebos Pacific Limited, Singapore
- Executive Vice President & Chief Executive Officer of South East Asia, Cerebos Pacific Limited, Singapore
- Chief Executive Officer, Cerebos (Thailand) Co., Ltd.
- Executive Product Manager, Diethelm Co., Ltd.
- President of the Marketing Association of Thailand (MAT)

Meeting Attendance in 2023

- Attended the Board Meeting 7 times out of 7 times
- Attended the NC Meeting 3 times out of 3 times

Note : **present** **past**

(6) Datuk Simon Shim Kong Yip

Non-Independent Non-Executive Director and Chairman of Nomination Committee

Age 68 years
 Nationality Malaysian
 Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea,
 Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally None
- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 0 company
- Director 1 company

Number of years as a director 17 years (date of appointment : 25 April 2007)

Family relation with management None

Education Master in Law, University College London (UCL),
 United Kingdom

Director Training Programme None

Position in other listed companies None

Position in companies with relating business (specify only non-executive director)

- might have a conflict of interest with the Company None
- others

■ Non-Independent Non-Executive Director / a member of the Nominating and Remuneration Committee, Hap Seng Consolidated Berhad, a company listed on the Bursa Malaysia

■ Non-Independent Non-Executive Deputy Chairman, Hap Seng Plantations Holdings Berhad, a company listed on the Bursa Malaysia

Other Experience

- Group Advisor, Lei Shing Hong Limited
- Non-Executive Director, Lei Shing Hong Securities Limited
- Managing Partner, Messrs Shim Pang & Co.
- Barrister-at-law of the Lincoln's Inn, London
- Chartered Arbitrator
- Fellow Member of the Chartered Institute of Arbitrators, London and Malaysia
- Advocate and Solicitor of the High Court in Sabah and Sarawak
- Justice of the Peace in Malaysia
- Notary Public in Malaysia
- Member of the Malaysian Corporate Law Reform Committee and its working group on Corporate Governance, and Shareholders' rights
- Non-Independent Non-Executive Director, Lei Shing Hong Limited
- Non-Independent Non-Executive Director, Malaysian Mosaics Berhad
- Non-Executive Director, Paos Holdings Berhad, a company listed on the Bursa Malaysia

Meeting Attendance in 2023

- Attended the Board Meeting 5 times out of 7 times
- Attended the NC Meeting 1 time out of 3 times

Note : ■ *present* □ *past*

(7) Mr. Whang Shang Ying

Executive Director, Member of Remuneration Committee,
Member of Nomination Committee, and Chairman of Sustainability Committee

Age 63 years
Nationality Singaporean
Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea,
Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally None
- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 0 company
- Director 2 companies

Number of years as a director 26 years (date of appointment : 24 April 1998)

Family relation with management None

Education Bachelor of Arts (Hons.) in Law,
Oxford University, United Kingdom

Director Training Programme None

Position in other listed companies

- Director, United Palm Oil Industry Plc.
- Director, Jurong Cement Limited, a public listed company in Singapore

Other Experience

- Chairman and Executive Director, Universal Food Plc.
- Director, Lam Soon Holding Co., Ltd.
- Director, Bangkok Edible Oil Co., Ltd.
- Executive Chairman, Lam Soon (M) Berhad
- Executive Chairman, Lam Soon Singapore Pte Ltd.
- Member of ECR Singapore Board
- Director, National Gallery Singapore
- Member of Board of Governors, Singapore Polytechnic
- Member of the Advisory Board of Asian Civilisations Museum, Singapore

Meeting Attendance in 2023

- Attended the Board Meeting 7 times out of 7 times
- Attended the RC Meeting 2 times out of 2 times
- Attended the NC Meeting 3 times out of 3 times
- Attended the SC Meeting 1 time out of 2 times

Note : *present* *past*

(8) Ms. Piyathida Sukchan

Executive Director, Company Secretary, Member of Risk Management Committee, and Member of Sustainability Committee

Age 55 years
 Nationality Thai
 Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally 100 shares (0.000012%)
- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 0 company
- Director 2 companies

Number of years as a director 11 years (date of appointment : 26 April 2013)

Family relation with management None

Education M.A. in Development Economics, National Institute Development Administration; B.A. in Economics (Finance), Thammasat University

Director Training Programme Certificate of Completion DCP 36/2003 from Thai Institute of Directors (IOD)
 Certificate of Thai Intelligent Investors 1/2012 (TIIP1) from Thai Investor Association and Stock Exchange of Thailand
 Company Secretary Program (CSP) 114/2020 from Thai Institute of Directors (IOD)

Position in other listed companies

- Executive Director, United Palm Oil Industry Plc.

Other Experience

- Director, Lam Soon Holding Co., Ltd.
- Director, Bangkok Edible Oil Co., Ltd.
- Director, Phansrivivat Co., Ltd.
- Director, Phansri Co., Ltd.
- Director, Prachak Vivat Co., Ltd.
- Director, Siam Elite Palm Co., Ltd.
- Assistant Vice President for Securities Analysis Dept, Cathay Capital Co., Ltd.

Meeting Attendance in 2023

- Attended the Board Meeting 7 times out of 7 times
- Attended the RMC Meeting 4 times out of 4 times
- Attended the SC Meeting 2 times out of 2 times

Note : ■ *present* □ *past*

(9) Mr. Ampol Simarojana

Non-Executive Director and Operations Consultant

Age 67 years

Nationality Thai

Address 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea,
Khet Bangna, Bangkok 10260

Shareholdings (Ordinary Shares)

- Held personally None

- Held by spouse or minor children None

The number of directorships in listed companies

- Chairman 0 company

- Director 2 companies

Number of years as a director 29 years (date of appointment : 21 August 1995)

Family relation with management None

Education Bachelor of Science (Chemical Engineering),
Chulalongkorn UniversityDirector Training Programme Certificate of Completion DCP 37/2003 from
Thai Institute of Directors (IOD)

Position in other listed companies

 Non-Executive Director, United Palm Oil Industry Plc. Executive Director, United Palm Oil Industry Plc.

Other Experience

 Director, Siam Elite Palm Co., Ltd. Director, Lam Soon Holding Co., Ltd. Manager of Melting Division, Siam Asahi-Technoglass Co., Ltd.

Meeting Attendance in 2023

- Attended the Board Meeting 5 times out of 7 times

(10) Mr. Komkris Siriwongpairat

Vice President - Modern Trade and Food Solution

Age 48 years

Shareholdings (Ordinary Shares)

- Held personally None

- Held by spouse or minor children None

Family relation with management None

Education Master in Financial Management,
University of Exeter, United Kingdom
Bachelor of Business Administration,
Assumption University

Other Experience

 Sales Manager, SC Johnson & Son Co., Ltd. Sr. Customer Development Manager, Johnson & Johnson (Thailand) Co., Ltd. Key Account Manager & Trade Marketing Manager, Diethelm Co., Ltd**Note :** present past

(11) Mr. Sirichai Navasettavorn

Vice President - Traditional Trade and Industrial

Age 51 years

Shareholdings (Ordinary Shares)

- Held personally None

- Held by spouse or minor children None

Family relation with management None

Education MBA (Major in Marketing),
Mahanakorn University of Technology
Bachelor of Business Administration
(Major in Marketing), Bangkok University

Other Experience

- National Field Sales Manager, Siam Winery Trading Plus Co., Ltd.
- Business Development Manager, Fonterra Brands (Thailand) Co., Ltd.
- Distribution Account Specialist, Nestle (Thai) Co., Ltd.
- Area Sales Manager, Boonrawd Asia Beverage Co., Ltd.
- Business Development Manager, Thai Pure Drink Co., Ltd.

(12) Mr. Virat SuwannaratVice President - Human Resources and Member of Risk Management Committee, and
Member of Sustainability Committee

Age 57 years

Shareholdings (Ordinary Shares)

- Held personally None

- Held by spouse or minor children None

Family relation with management None

Education Master Degree of Public Administration,
Business Management, Burapha University

Other Experience

- HR Director, Sara Lee (Thailand) Co., Ltd.
- HR Director, Moccona (Thailand) Co., Ltd.
- Plant HR Manager, Cadbury Adams (Thailand) Co., Ltd.

Meeting Attendance in 2023

- Attended the RMC Meeting 3 times out of 4 times
- Attended the SC Meeting 2 times out of 2 times

(13) Mrs. Chanpen Teachakumtorn

Vice President – Account and Finance

Age 46 years

Shareholdings (Ordinary Shares)

- Held personally None

- Held by spouse or minor children None

Family relation with management None

Education Master of Business Administration,
(Major in Finance), National Institute Development
Administration
Accomplished the e-learning CFO's Orientation
Course (Thai Version) (12 hours) from Thailand
Securities Institute (TSI), the Stock Exchange of
Thailand (SET)

Other Experience

- Finance director, Thai Wah Public Company Limited
- Account and Finance Manager, Betagen Company Limited
- Cost Accounting Manager, Sermsuk Public Company Limited

Note : ■ *present* □ *past*

Directors and the Executives having positions in subsidiaries and related companies

As at 31 December 2023, Directors and the Executives having positions in subsidiaries and related companies were as follows: -

Name	Company	Subsidiaries		Related Company
		United Palm Oil Industry Plc.	Universal Food Plc.	Lam Soon Holding Co., Ltd.
(1) Mr. Whang Shang Ying	//	/	*	/
(2) Mr. Poomkiet Chotichaicharin	//			
(3) Ms. Piyathida Sukchan	//	//		/
(4) Mr. Ampol Simarojana	/	/		

Notes : * : Chairman of Board of Directors
 / : Director
 // : Executive Director

Details of the Directors of Subsidiaries

As at 31 December 2023, Directors of United Palm Oil Industry Public Company Limited were as follows: -

Subsidiary	United Palm Oil Industry Public Company Limited
Directors	
1. Assoc.Prof.Naris Chaiyasoot	X
2. Ms. Anchalee Suebchantasiri	Y, //
3. Mr. Anusorn Buranakanonda	/
4. Mr. Wasin Patchakapati	/
5. Mr. Whang Shang Ying	/
6. Ms. Piyathida Sukchan	//
7. Mr. Ampol Simarojana	/

Note

X : Chairman
 Y : Vice-Chairman
 / : Director
 // : Executive Director

As at 31 December 2023, Directors of Universal Food Public Company Limited were as follows: -

Subsidiary	Universal Food Public Company Limited
Directors	
1. Mr. Whang Shang Ying	X
2. Mr. Chaowanun Suradecha	//
3. Ms. Winita Purapati	//
4. Mr. Kamol Panpatrapong	//

Note

X : Chairman
 // : Executive Director

Details of the Head of Controlling System and Internal Audit Function

In order to have an independent internal auditing which can be fully functioning, the Audit and Corporate Governance Committee arranged for the Company to hire an outside firm and resolved to appoint Dr. Virach and Associates Office Co., Ltd. which is an audit firm in the list approved by the SEC to be an outsourced internal auditor, to ensure that the operations, financial activities of the Company have complied with the guidelines effectively, including compliance with the law and regulations (Compliance Controls). The internal auditor shall report directly to the Audit and Corporate Governance Committee every quarter under the annual contract.

Details of Internal Auditor : Mr. Apiruk Ati-anuwat

Audit partner Dr. Virach and Associates Office Co., Ltd.

Age	:	53 years
% of share holding	:	None
Family relation with management	:	None
Education	:	MBA., Ramkhamhaeng University B.B.A. (Accounting), Ramkhamhaeng University LL.B., Thammasat University Certified Public Accountant
Training Course	:	COSO Internal Control System (The Committee of Sponsoring Organization of the Treadway Commission) Evaluation of internal control system COSO-ERM (The Committee of Sponsoring Organization of the Treadway Commission – Enterprise Risk Management)
Duties and responsibilities	:	Design the annual internal audit plan Review risk assessment of the internal control system Submit the finding reports to the Audit and Corporate Governance Committee
Present Experience	:	<ul style="list-style-type: none"> ■ Audit partner Dr. Virach and Associates Office Co., Ltd. ■ Internal auditor, United Palm Oil Industry Plc., 24 years ■ Internal auditor, Lam Soon (Thailand) Plc., 19 years

8. Report on Key Operating Results Related to Corporate Governance

8.1 Summary of duty performance of the Board of Directors in the past year

In 2023, the Board of Directors held 7 meetings to establish policies and strategies to enhance the company's capabilities and to monitor performance and status. It also closely monitored the Company's performance and financial status in order to ensure that the Company smoothly overcomes the business fluctuations. In addition, the Company maintained the efficiency of supervision and sufficiency of an internal control system and corporate risk management by organising sub-committees meetings as well.

8.1.1 Selection, development and evaluation of duty performance of the Board of Directors

The Nomination Committee shall have the duty to undertake the task of identifying, evaluating, selecting, and proposing appropriate candidates to the Board of Directors for approval before further proposing to the Annual General Meeting of Shareholders to elect as directors according to the Company's Articles of Association.

The Board has set the qualification of the independent directors as follow:-

- a) holding shares not exceeding 0.5% of the total number of voting rights of the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling persons, including the shares held by related persons of the independent director;
- b) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person, its parent company, subsidiary, associate, joint venture, subsidiary in the same level, major shareholder or controlling person unless the foregoing status has ended not less than 2 years prior to the date of application filing with the Office. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company;
- c) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children of other directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiary;
- d) neither having nor having had a business relationship with the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person unless the foregoing relationship has ended not less than 2 years prior to the date of application filing with the Office.

The term 'business relationship' in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the value of three percent (3%) or more of the net tangible assets of the Company or 20 million Baht or more, whichever is lower.

The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- e) neither being nor having been an auditor of the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person unless the foregoing relationship has ended not less than 2 years prior to the date of application filing with the Office;
- f) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years prior to the date of application filing with the Office;
- g) not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;
- h) not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, not being a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 0.5% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary;
- i) not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

In the case where the person appointed by the Company as independent director has or used to have a business relationship or provide professional service exceeding the value specified under (d) or (f) of the first paragraph, the Company shall be granted an exemption from such prohibition only if the Company has provided the opinion of the Company's Board of Directors indicating that, by taking into account the provision in Section 89/7, the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders' meeting under the agenda for the appointment of independent director.

- a) The nature of the business relationship or professional service which such person's qualification not in compliance with the prescribed rules;
- b) The reason and necessity for maintaining or appointing such person as independent director;
- c) The opinion of the Company's Board of Directors for proposing the appointment of such person as independent director.

For the purpose of (e) and (f) of the first paragraph, the term "partner" shall mean a person assigned by audit firm or a provider of professional service to sign on the audit report or the professional service report (as the case may be) on behalf of such juristic person.

The Board has set the criterion for the amount of shareholding allowed to an independent director to be more stringent than laid out by the SEC i.e. the Company's independent directors are allowed to hold the Company's shares not exceed 0.5%.

Selection of directors and chief executives

1. Structure of the Board

According to the Articles of Association of the Company, the Board composition shall not exceed 9 directors. The Board of Directors must be qualified and not be subject to the prohibitions under the law of public company limited and other relevant laws. In addition, the Board composition shall have a wide range of skills, experiences, abilities and specific characteristic as well as gender and age. At least one-third of the total number of directors are independent directors. Independent directors shall not be less than 3 persons, and must comply with the qualification announced by SEC.

2. Duties and Responsibilities of the Board

1. To review and approve the vision, mission, strategy, objectives, risk, plan and budget of the Company;
2. To control and supervise the management in the implementation of the business plan to achieve the objectives and increase the shareholder value;

3. To set a Corporate Governance Code and encourage every employee in the organisation to implement the Code, assessment of Code implementation and reviewing the Code at least once a year;
4. To set a code of business conduct to cover all levels of personnel namely, directors, executives, and employees. To encourage all persons in the Company to comply with the policy, monitoring of implementation and assessment of effectiveness of the implementation regularly;
5. To set up internal control system, internal auditing, and measures for risk management as well as regularly monitoring the same;
6. To appoint sub-committees, assignment of roles, duties and responsibilities of each sub-committee;
7. To determine and communicate clearly regarding the roles, duties and responsibilities of the Board, Audit and Corporate Governance Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, Management and employees;
8. To be responsible for the disclosure of the Company's financial status in the Financial Statements of the Company and its subsidiaries, in the annual registration statement / annual report (Form 56-1 One Report) as well as disclosure of information to meet the requirement of law and relevant government authorities;
9. To set guideline for reviewing the suitability of transaction with potential conflict of interest;
10. To arrange the board meeting of at least 6 times a year, and at least once in every quarter, and convene the shareholders' meeting at least once a year;
11. At a meeting of the Board of Directors, there must be present not less than one half of the total number of directors to form a quorum. At least two-third of the total number of directors shall be presented at the time when the Board passing a resolution;

In the event that the Chairman is absent or is unable to perform his duties, if there is a Vice-Chairman, the Vice-Chairman shall be the chairman of the meeting. In the absence of the Vice-Chairman or if the Vice-Chairman is unable to perform his duties, the directors present at the meeting shall elect one among themselves to be the chairman of the meeting.

12. Such other duties and responsibilities stipulated by law, the Articles of Association, and resolutions passed at shareholders' meeting from time to time.

3. Scope of Authority of the Board of Directors

1. Each director shall have one vote and decisions of the meeting shall be by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have an additional casting vote. In case of a vacancy on the Board of Directors otherwise than by rotation, the resolution of the Board of Directors must be passed by a vote of not less than three-fourths of the number of subsisting directors.

2. Director who has a personal interest in any matter who shall have no right to vote on such matters.
3. Two directors shall be authorised to jointly sign together with the Company's seal affixed. However, the Board of Directors may specify names of the directors authorised to sign and bind the Company together with the Company's seal affixed.
4. The Board of Directors may appoint other persons to carry out the Company's business under the Board of Directors' supervision or may confer upon such other persons such powers as they think fit and for such time as they think expedient and any revoke, withdraw, alter or vary any such powers.
5. The Board of Directors may pay interim dividends to the shareholders from time to time when the Board of Directors finds the Company has sufficient profit and a report thereof shall be made to the shareholders' meeting at the next meeting.
6. Although various transactions are under the authority of the Board of Directors, there are the following cases stated in the Articles of Association to be conducted at the shareholders' meeting.
 - (1) Reviewing the report of the Board of Directors covering the work done during the preceding year as proposed to the meeting by the Board of Directors;
 - (2) Considering and approving the statements of financial position and statements of comprehensive income of the preceding fiscal year;
 - (3) Considering the appropriation of profits, reviewing directors' remuneration and the appropriation of a reserved fund;
 - (4) Election of new directors in place of those who must retire on the expiration of their terms;
 - (5) Appointment of the auditor and fixing his remuneration;
 - (6) The sales or transfer of the whole or substantial part of the business of the Company to other persons;
 - (7) The purchase or acceptance of transfer of business of other companies or private companies to the Company;
 - (8) The making, amendment or termination of contracts relating to the leasing out of the whole or substantial part of the businesses of the Company, the assignment to any other persons to manage the businesses of the Company, or the consolidation of the business with other persons with an objective towards profit and loss sharing;
 - (9) The amendment of Memorandum or Articles of Association;
 - (10) The increase or decrease in the Company's capital or the issuance of debentures;
 - (11) The amalgamation or dissolution of the Company;
 - (12) Other businesses.

4. The Chairman of the Board

The Chairman of the Board shall be an independent director or non-executive director. The Chairman must be a different person from the Managing Director so that the two roles are clearly separated. The duties and responsibilities are as follows:-

1. In calling a board meeting, the Chairman or assigned delegate shall serve a written notice calling for such meeting to members of the Board not less than 7 days prior to the date of the meeting so that the directors may have adequate time to study, review, and make proper decisions. However, in a case of necessity or urgency for the purpose of maintaining the rights and interests of the Company, the summoning of the meeting may be made by other methods and the date of the meeting may be sooner fixed;
2. Jointly with the Managing Director, defines the agenda of each meeting;
3. To ensure the efficiency of each meeting by allocating enough time for the executives to present information, encouraging and allowing directors' queries and expression of free views, controlling the issues under discussion, and summarising the meeting's resolutions;
4. To play a key role in encouraging the Board of Directors' conformance to corporate governance principles, including identifying themselves, refraining from voting, and leaving the meeting in case of having conflicts of interest in any agenda;
5. To inform the Board of Directors all significant matters;
6. To encourage the Board of Directors to attend shareholders' meeting and preside over such meeting to ensure the meeting efficiency and address shareholders' queries;
7. To encourage the Board of Directors to perform their duties under the scope of authority given by laws, and the corporate governance.

5. The Managing Director

The Managing Director is assigned by the Board of Directors to conduct the Company business under the approved plans and budgets with rigour, integrity and the duty of good corporate governance to ensure that the Company, shareholders and stakeholders are properly and fairly engaged in the business including the disclosure of general information and financial information of the Company in accordance with good practices and does not have any interest or conflict of interest with the Company and its subsidiaries.

6. Company Secretary

The Company shall appoint a Company Secretary in accordance to section 89/15 of the Securities and Exchange Act B.E. 2551 with the following duties and responsibilities:-

1. To prepare and keep the following documents:-
 - a register of directors;
 - a notice calling the Board and shareholders' meetings;
 - a minute of meeting of the Board of Directors and meeting of shareholders;
 - an annual registration statement / annual report (Form 56-1 One Report) of the Company.
2. To follow-up and ensure implementation of the resolutions of the Board and shareholders' meetings;

3. To keep a report on interest filed by a director or an executive and submit a copy of report to the Chairman of the Board and the Chairman of Audit and Corporate Governance Committee within 7 business days from the date on which the Company has received such report;
4. To advise directors with regard to the law and relevant regulation as well as to supervise and oversee to ensure that the Company, the Board of Directors, and the executives comply to all the laws and regulations;
5. To ensure the disclosure of information according to the regulations of the SET, the SEC and other relevant laws;
6. To liaise with relevant regulatory bodies;
7. To do other things assigned by the Board and/or performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In addition, the Company Secretary is assigned to function as a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they been correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act, and other related laws.

7. Director's Term of Office

According to the Article 13 of the Articles of Association of the Company, the terms of one-third of the directors are due to expire by rotation at every Annual General Meeting of Shareholders.

8. Directors Concurrently Being Directors of Other Companies

To ensure that directors have sufficient time to perform his duties fully, the Company has set the number of companies allowed for directors to be directors of listed companies not more than 5 companies.

The Company does not set limit for being directors in other non-listed companies in view of the fact that most Executive Directors are also directors of subsidiaries, associates, joint venture, or related companies.

9. Board of Directors' Meeting

The Company shall arrange the board meeting of at least 6 times a year, and at least once in every quarter. The Chairman of the Board may call special meetings as he deems necessary. Two or more directors may ask the Chairman of the Board to convene a Board of Directors' meeting. In the event a meeting is required by at least 2 directors, the date of the meeting shall be fixed within 14 days from the date of receipt of the request.

In case of regular meetings, the meeting schedule shall be set in advance annually and inform to each director in November every year.

The Company Secretary shall set agenda required to comply with the law and related regulations. Other agendas shall be jointly set by the Chairman and the Managing Director. Each director may also propose agenda items for the meeting by sending the agenda items through the Company Secretary 14 days prior to the meeting date. The Company Secretary shall collect all the proposed agenda items for the Chairman consideration before include them in the meeting agenda.

The Company shall send to all directors meeting document with the meeting notice, clearly stating the matter as for information, for approval or for consideration as the case may be, at least 7 days prior to the meeting date to enable each director to have time to study the information before the meeting. However, in a case of necessity or urgency for the purpose of maintaining the rights and interests of the Company, the summoning of the meeting may be made by other methods and the date of the meeting may be sooner fixed. During the meeting, the Chairman will allocate sufficient time for the management to present detail information and answer additional questions from the directors, and allow sufficient time for the directors to the matters.

Furthermore, the Chairman allows each director to express his/her opinions freely. In case of a director having a stake in a matter being considered, the director shall inform the meeting of such stake and shall not participate in discussing the matter and not exercise the voting right on the matter. At least 2/3 of the total number of directors shall be presented to form a quorum at the time of the Board passing a resolution.

The minutes of the meeting shall be in writing stating the date, time of meeting commencement and termination, names of directors attending the meeting and directors absent from the meeting, summary of topics and issues as well as observation of the directors, resolutions and opinion of dissenting directors, name of persons recording the minutes and certifying the minutes. After being confirmed, the minutes shall be kept by the Company Secretary and will be ready for examination by related parties.

10. Board Skill Matrix

The Board skill matrix below represents some of the key skills that the Board has identified as particularly valuable to the effective oversight of the Company and the execution of the strategy.

Knowledge / Experience	Mr. Thira Wipuchanin	Mr. Poomkiet Chotchacharin	Assoc. Prof. Preecha Jarungdaman, Ph.D.	Mr. Banchong Chittchang	Dr. Lachan a Leelayouthayotin, Ph.D.	Datuk Simon Shim Kong Yip	Mr. Whang Shang Ying	Ms. Piyathida Sukchan	Mr. Ampol Simarajana	Number of director with Knowledge/experience
Knowledge and experience in vegetable oil business	●	●	●	●	●	●	●	●	●	9
Vision, mission, policy, strategic planning of the organisation	●	●	●	●	●	●	●	●	●	9
Commodity Trading		●						●		2
Expertise in domestic and/or international trading and marketing		●			●		●	●		4
Knowledge and experience in reviewing the credibility of financial statement, Accounting, Finance, Economics	●	●	●	●	●	●	●	●	●	9
Risk Management and work management in normal situation	●	●	●	●	●	●	●	●	●	9
ESG Management		●		●	●		●	●		5
Knowledge of Engineering				●					●	2
Knowledge of Digital Transformation		●		●	●			●		4
Knowledge of Legal						●	●			2

Development of directors in the past year

In 2023, directors and executive who attended the major training sessions was as follows:

No.	Directors and Executives	Position	Training Session	Objectives
1.	Mr. Banchong Chittchang	Independent Director Member of Audit and Corporate Governance Committee Member of Remuneration Committee Member of Nomination Committee	<ul style="list-style-type: none"> - HKTDC Online Conference “Asian Financial Forum 2023” Online, 11-12 Jan 2023 - SET Seminar: Capital Market Development, 19 Jan 2023 - IOD Director Briefing 1/2023: Integration VS M&A, 31 Jan 2023 - UN Global Compact Academy: Modernizing Executive Pay Session 1: Foundations – Aligning purpose with pay, 7 Feb 2023 - SET Economic & Business Update Series_1-2023, 1 Mar 2023 - SET Seminar: Director's Duty, 22 Jun 2023 - SET Special Talk in the topic of AI: Recent and Future Evolution, 29 Jun 2023 - IOD Facilitator Program, 7 Jul 2023 - TMA Seminar: Thailand Competitiveness, 12 Jul 2023 - IOD Seminar: Engaging Board in ESG: The Path to Effective Sustainability, 13 Jul 2023 - IOD National Director Conference 2023: Delivering “Net Zero” Together, 26 Jul 2023 - IOD Audit Committee Forum 2023: Detection of Accounting Irregularities in Fast Growing Business: The Role of Audit Committee, 2 Aug 2023 - IOD Director Forum 2023: Economic Recession - What Should Board Watch out for, 24 Aug 2023 - IOD Class: ESG in the Boardroom - A Practical Guide for Board (ESG) Class 0-2023, 5 Sep 2023 - Seminar: Thailand Economic Outlook 2024, 4 Oct 2023 - EY Seminar for AC: Accounting Fraud, Economic Situation Update, ESG & Global Warming, 26 Oct 2023 - IOD Seminar: Empowering Board Directors: Unleashing Performance and Fueling Growth, 2 Nov 2023 - IOD ID Forum: Fraud Prevention: Whose Responsibility?, 16 Nov 2023 - IOD Seminar: The Business Case & Ethics of AI; A Board's Imperative, 22 Nov 2023 - SET Seminar: ESG Professionals Forum 2023; Together for Change, 29 Nov 2023 - TMA Forum: Thailand Digital Competitiveness, 30 Nov 2023 - TMA Forum: Bridging the Digital Competitiveness Gap, 13 Dec 2023 - IOD Talk: The Art of Thought Articulation – Story Telling Tactics, 14 Dec 2023 	<ol style="list-style-type: none"> 1) To know the various situations including: <ul style="list-style-type: none"> - Current Economic situation and trends in 2024 - Financial situation and business, including the market competition - Capital market development, the investment situation and mergers & acquisitions 2) To develop knowledge about Sustainable organisational development and reducing global warming 3) To develop knowledge related to the duties of director and the Audit Committee 4) To develop knowledge related to the roles and duties of the Audit Committee in preventing and monitoring incorrect accounting records 5) To know the situation of economic recession and what the Board should be aware of 6) To know how to integrate ESG issue along with normal business operation 7) To know the impact of using AI technology in business analysis and evaluation

No.	Directors and Executives	Position	Training Session	Objectives
			<p>In addition, Mr. Banchong Chittchang participated as a facilitator of Thai IOD for the major courses as follows:-</p> <ol style="list-style-type: none"> 1. DCP Class M1: Practice of Directorship 2. DCP Class M11: Learning into Practice 3. Ethical Leadership Program (ELP) 4. Governance, Risks & Compliance (GRC) 5. Corporate Governance for Executives (CGE) 6. Board Nomination & Compensation Program (BNCP) 7. Advanced Audit Committee Program (AACP) 8. Director Accreditation Program (DAP) 	
2.	Mr. Whang Shang Ying	Executive Director, Member of Remuneration Committee, Member of Nomination Committee, and Chairman of Sustainability Committee	Performance Management and Key Performance Indicator, Sheraton Towers Hotel, Singapore, on 7 Nov 2023	To equip directors, managers and HR personnel the knowledge to set Balanced Scorecard (BSC) and Key Performance Indicator (KPI), so as to align with organizational objectives to drive company's performance. Topics include Balance Scorecard as the strategic planning framework that consists of 4 perspectives : Financials, Customer, Business Internal Processes and Learning & Growth. Training also includes case studies.
3.	Ms. Piyathida Sukchan	Executive Director and Company Secretary	<p>Business and human rights for listed companies and HRDD guidelines under Phase I, on 16 Jan 2023</p> <p>The 34th Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2023), Shangri-la, Kuala Lumpur, on 6 - 8 Mar 2023</p> <p>Special Course for Executives of listed companies: "Company valuation techniques to suit the present business situation", on 7 - 8 Jun 2023</p> <p>The 10th International Planters Conference 2023 (IPC 2023) with the theme Ensuring the Resilience of the Palm Oil Industry in the 21st Century, Royale Chulan Kuala Lumpur, on 12 - 14 June 2023</p>	<p>To understand the basic principles of human rights and guidelines for comprehensive human rights due diligence for listed companies</p> <p>The event provides valuable networking opportunities among its participants and a forum to deliberate on topics surrounding the supply and demand of major edible oils, the industry's most pressing issues, market trends and trade possibilities.</p> <p>To update and understand the key financial ratios and techniques of business evaluation</p> <p>To update the palm oil situation and learn challenges facing the palm oil industry such as perceptions, food security, and deforestation</p>
4.	Mrs. Chanpen Teachakumtorn	Vice President – Account and Finance	E-learning CFO's Orientation Course (Thai Version) (12 hours) according to the criteria of the SEC Office, from Thailand Securities Institute (TSI), the Stock Exchange of Thailand (SET) by online training, on 20-25 Dec 2023	<p>To undergo training the CFO Orientation Course for preparedness in accounting and finance</p> <p>To qualify the specified criteria</p>

Performance Evaluation of the Board

In 2023, the Company conducted self-assessment of the Board of Directors and Sub-Committees as a whole as well as on individual basis. For the assessment process, the Company Secretary shall submit the Board Self Assessment Form, issued by the SET, to each Board member at the end of the year, then gather the data and report the result to the Board.

1. Self-Assessment of the Board of Directors as a whole

Self-Assessment form of the Board of Directors as a whole has been implemented to evaluate performance of the Board as a whole by applying the guideline from the SET with the nature and structure of the Board. The result of the assessment is served as a tool for the Board of Directors to review its own duty and further enhancing the efficiency and effectiveness.

Six categories of the assessment of opinion and action level are as follows:-

Categories of the assessment	Scores (%)
1. Board structure and qualifications	96.23
2. Roles, duties and responsibilities of the Board	94.51
3. The Board Meeting	97.47
4. Duties of directors	94.44
5. Relationship with management	96.67
6. Director's self improvement and management training	93.52
Average Scores	95.34

In 2023, overall evaluation results of the six categories indicated **"Very Good"**.

2. Self-Assessment of Sub-Committees as a whole

Self-Assessment form of Sub-Committees as a whole has been implemented to evaluate performance of Sub-Committees as a whole by applying the guideline from the SET with the nature and structure of Sub-Committees. The result of the assessment is served as a tool for Sub-Committees to review its own duty and further enhancing the efficiency and effectiveness.

Eight categories of the assessment of opinion and action level are as follows:-

Categories of the assessment	Scores (%)
1. Board structure and qualifications	95.24
2. Sub-Committees meeting conducted under the determined conditions	97.22
3. Audit Committee	95.83
4. Nomination Committee	92.97
5. Remuneration Committee	100.00
6. Corporate Governance Committee (under Audit Committee)	93.75
7. Risk Management Committee	92.00
8. Sustainability Committee	96.30
Average Scores	95.17

In 2023, overall evaluation results of the eight categories indicated **"Very Good"**.

3. Self-Assessment of the Board of Directors and Sub-Committees (individual basis)

Self-Assessment form of the Board of Directors and sub-committees (individual basis) has been implemented to evaluate performance of individual director as a tool for reviewing his/her own duty and further enhancing the efficiency and effectiveness. Categories of the assessment, in compliance with good corporate governance principles, are as follows:-

Categories of the assessment	Scores (%)
1. Board structure and qualifications	95.83
2. The Board Meeting	95.83
3. Roles, duties and responsibilities of the Board	95.56
Average Scores	95.71

In 2023, overall evaluation results of the three categories indicated **“Very Good”**.

Remark: “Very good” has scored in the range of 81-100 scores.

In sum, the score result of the Board Self-Assessment in 2023 was 95.32%. (2022 : 94.43%)

8.1.2 Meeting attendance and remuneration payment to each Board member

Meeting attendance of each Board member

In 2023, the Board of Directors held 7 meetings. The attendance of each member is as follows:-

Name	Position	Period of Directorship	Attendance / Total Meetings
(1) Mr. Thira Wipuchanin	Independent Director and Chairman of Board of Directors	2023-2026	7/7
(2) Mr. Poomkiet Chotichaicharin	Managing Director	2021-2024	7/7
(3) Assoc. Prof. Preecha Jarungidanan, Ph.D.	Independent Director	2021-2024	7/7
(4) Mr. Banchong Chittchang	Independent Director	2023-2026	7/7
(5) Lackana Leelayouthayotin, Ph.D.	Independent Director	2022-2025	7/7
(6) Datuk Simon Shim Kong Yip	Non-Independent Non-Executive Director	2023-2026	5/7
(7) Mr. Whang Shang Ying	Executive Director	2021-2024	7/7
(8) Ms. Piyathida Sukchan	Executive Director and Company Secretary	2022-2025	7/7
(9) Mr. Ampol Simarojana	Non-Executive Director and Operations Consultant	2022-2025	5/7

Non-executive directors may hold meetings among themselves without the management present at the meeting in order to discuss management issues of interest. The result of the meeting shall be reported to the Managing Director. In 2023, there were two meetings of non-executive directors which were not attended by executive directors, in relation to new accounting standards that would affect the Company including the collaboration of the management team working with the external auditor, and other general matters.

Remuneration of Directors and Executives

1. Remuneration of the Board of Directors

The Remuneration Committee shall consider the criteria and principle and the form of remuneration for directors and make its recommendation to the Board. The Remuneration of directors shall be approved by the shareholders' meeting. Comparison shall be made to other companies in the same industry, of the same experience, commitment, scopes of roles and responsibilities as well as the remuneration survey of other companies listed on the SET. The remuneration shall be set at a level sufficient to attract and retain qualified persons.

The Annual General Meeting of Shareholders No. 1/2023 resolved to approve the remuneration payments for 2023 to the Company's directors as proposed by the Board. The remuneration was thoroughly and carefully considered by the Remuneration Committee all factors including comparison with other companies in the same industry as well as growth of business and operating results of the Company, as follows: -

(Baht/Person/Year)

● Chairman of the Board	722,400
● Independent Directors	605,940
● Non Independent Non Executive Director	605,940
● Executive Director	287,100
● Non-Executive Director	605,940
● Audit and Corporate Governance Committees	460,440
● Nomination Committee	24,145
● Remuneration Committee	48,180

The above fee is fixed to be paid monthly, except the remuneration for Nomination Committee and Remuneration Committee, which shall be paid on yearly basis.

Monetary Remuneration

- Director's fees : Total fees to all 9 members of the Board : **6,259,985** Baht

Remuneration of the Board of Directors and Sub-Committees	2022		2023	
	No. of Persons	Baht	No. of Persons	Baht
Board of Directors	10	4,540,140	9	4,613,400
Audit and Corporate Governance Committee	4	1,359,360	4	1,381,320
Remuneration Committee	3	144,540	3	144,540
Nomination Committee	5	120,725	5	120,725

- Director's fees paid to the Company's Directors as Directors of Subsidiaries for 3 persons : **1,802,800** Baht

Other Remuneration

Besides monetary remuneration, overseas directors attending the meeting shall be reimbursed for air-tickets, food and accommodation. The Company also takes out insurance against director liability for directors and executives. It is to cover the risk of directors and executives in performing duties for the Company. However, protection will not be provided in the case of wilful misconduct or gross negligence or any act in bad faith.

Other Benefits	2022	2023
Other Benefits	None	None
Employee Stock Option Program (ESOP)	None	None

2. Remuneration of Executives

The remuneration of Executives shall be in accordance with guidelines and policy set by the Remuneration Committee from time to time.

The remuneration shall be commensurate to job scope competence and the performance of the Company. The Remuneration Committee shall recommend the appropriateness of remuneration to the Board for review and approval. The remuneration structure rewards individual performance and incentivises the Executive Directors, Managing Director and key executives to act in support of the Company's objectives and goals, and fosters the long-term commitment of the Company performance.

In 2023 Executive Directors, Managing Director and Executives jointly defined Key Performance Indicators (KPIs) for assessment criteria used by the Remuneration Committee in assessing the performance of Executive Directors, Managing Director and Executives.

Remuneration	2022		2023	
	No. of Persons	Baht	No. of Persons	Baht
Executives	8	78,477,640	7	78,107,578

Apart from salary and bonus, other forms of remuneration include provident fund, retirement fund, Company's cars and the related expenses, medical expense, and accidental insurance.

Furthermore, some directors concurrently holding positions as directors and executives of subsidiary companies will receive remuneration from some subsidiary companies as set by each such subsidiary company.

Remuneration received from subsidiary Companies	2022		2023	
	No. of Persons	Baht	No. of Persons	Baht
As directors of subsidiaries	4*	2,039,300	3	1,802,800
As executives of subsidiaries	2*	5,656,800	1	3,423,800

- Remuneration (salary and bonus) of all 7 Executives : **78,107,578** Baht**
- Remuneration (salary and bonus) paid to the Company's Executive Directors and Executives as the Executive of Subsidiaries for 1 person : **3,423,800** Baht
- Other Remuneration : The Company has paid no other remuneration, except the cost of air-ticket and accommodation for directors residing outside Thailand who attend the meetings, and the cost of director liability insurance for all members of the Board. Other forms of remuneration for the Executives include Company's cars and related expenses, medical expense, and accidental insurance.

As for Provident Fund, the Executives have been paid at the same rate as other employees. However, no Provident Fund has been paid to Mr. Whang Shang Ying.

Note :

- * One person resigned from the Company's Director with effect on 1 June 2022.
- **Remuneration of the Executives included remuneration paid to the Executive Directors, the Managing Director, and the first 4 Department Manager levels ranking immediately below Managing Director including every person in the same level of the 4th ranking (as specified in the Notification of the Office of the Securities and Exchange Commission).

3. Remuneration of Each Director

Name	Position	Director's fees as the Company's Directors in 2023	Director's fees as Directors of Subsidiaries in 2023
(1) Mr. Thira Wipuchanin	Chairman of the Board, Independent Director, and Chairman of Audit and Corporate Governance Committee	1,182,840	-
(2) Mr. Poomkiet Chotichaicharin	Managing Director	287,100	-
(3) Assoc. Prof. Preecha Jarungidanan, Ph.D.	Independent Director Member of Audit and Corporate Governance Committee Chairman of Remuneration Committee Member of Nomination Committee	1,138,705	-
(4) Mr. Banchong Chittchang	Independent Director Member of Audit and Corporate Governance Committee Member of Remuneration Committee Member of Nomination Committee	1,138,705	-
(5) Lackana Leelayouthayotin, Ph.D.	Independent Director and Member of Nomination Committee	630,085	-
(6) Datuk Simon Shim Kong Yip	Non-Independent Non-Executive Director and Chairman of Nomination Committee	630,085	-
(7) Mr. Whang Shang Ying	Executive Director Member of Remuneration Committee Member of Nomination Committee Chairman of Sustainability Committee	359,425	667,600
(8) Ms. Piyathida Sukchan	Executive Director and Company Secretary	287,100	567,600
(9) Mr. Ampol Simarojana	Non-Executive Director and Operations Consultant	605,940	567,600
Total		6,259,985	1,802,800

8.1.3 Supervision of subsidiaries, associated companies, and joint venture

The Company appoints executive directors to hold directorship or executive positions in subsidiary, associated company, joint venture or other related companies in the group of companies. This is to supervise the management to be in accordance with the principles of good governance and for the maximum benefit of the group of companies.

Directors concurrently holding positions as directors and executives of subsidiaries, associated companies, joint venture, or other related companies will receive remuneration from some companies as set by each such company.

Remuneration received from subsidiary Companies	2022		2023	
	No. of Persons	Baht	No. of Persons	Baht
As directors of subsidiaries	4*	2,039,300	3	1,802,800
As executives of subsidiaries	2*	5,656,800	1	3,423,800

* One person resigned from the Company's Director with effect on 1 June 2022.

8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

The Board of Directors of the Company considered the consolidated financial statements of the Company and its subsidiaries, including information as shown in the annual registration statement / annual report (Form 56-1 One Report), and concluded that the financial statements have been prepared under generally accepted accounting standards in Thailand. Proper accounting policies have been chosen and have always been consistently adhered to. The financial statements have also been prepared with careful basis using the best estimation. Adequate material information has been disclosed in the notes to the financial statements. The Board has also adopted and maintained an effective system of internal controls in the Company so that we can be reasonably assured that accounting records are accurate, complete and adequate to protect the assets of the Company. These controls are also preventive measures against possible wrongdoing or other significant irregularities in the operations of the Company.

In this regard, the Board of Directors has appointed the Audit and Corporate Governance Committee responsible for the quality of the Company's financial reports and the internal control systems, as well as other processes to support the financial documents to be prepared under generally accepted accounting standards, including to disclose information transparently.

The Audit and Corporate Governance Committee considered the operational performance of the Company during the year 2023 and provided the opinion that the Board of Directors and the Management make a great effort to achieve the Company's objectives without finding that any relevant statutes and regulations having been contravened, and attach importance to the effective internal control system and to the adequacy of the risk management. Information system has also been prepared to support the good corporate governance principles. In sum, the overall internal control system of the Company has been at satisfactory level which can assure the credibility of the consolidated financial statements of the Company and its subsidiaries as of December 31, 2023.

The opinion of the Audit and Corporate Governance Committee with regard to these matters is set out in the Report of the Audit and Corporate Governance Committee in this annual registration statement / annual report (Form 56-1 One Report).

In addition, the Company shall monitor to ensure compliance with good corporate governance in the following four matters.

(1) Prevention of conflicts of interest

In order to facilitate normal business transaction, the Board has approved in principle to allow the management to do the transaction between the Company and its subsidiaries if the transaction falls into the following categories:-

1. Being a transaction with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person;
2. Being reasonable advance payments occurring in the normal course of business operation and with reimbursement on an actual basis.

The management shall report transaction with value over 500,000 Baht which will be reviewed by the Audit and Corporate Governance Committee before presenting to the quarterly Board meetings.

(2) Use of inside information to seek benefits

In case directors, executives, managers and employees intentionally commit any criminal act according to law on securities and exchange, the Company shall punish the violators by any one or more penalties as follows:-

- cut wages or compensation or other benefits
- layoff, dismiss, or discharge from the post of director, executive, manager, or employee as it would be deemed intentionally causing damage to the Company. In case the violator is a director, the matter shall be submitted to the shareholders' meeting to consider the penalty.
- report the violation to the SET and/or the SEC
- report to the police to take action according to the law
- take other measures according to the resolution of the Board or the shareholders' meetings.

(3) Anti-corruption action

The Company establishes the following guidelines for monitoring and evaluating the actions to prevent the involvement in corruption.

1. The Company's internal audit unit is assigned to conduct auditing according to the annual audit plan which is approved by the Audit and Corporate Governance Committee, and report any significant issues including provide recommendations to the Audit and Corporate Governance Committee.
2. Relevant business unit is required to regularly monitor and evaluate the corruption risk to ensure the effective implementation of the anti-

corruption policy including follow up, review, and improve the policy from time to time. The risk evaluation result must be reported to the Risk Management Committee, the Audit and Corporate Governance Committee and the Board of Directors respectively in a timely and consistent manner.

3. In fact-finding process, if the information from the investigation or complaints have shown an explicit evidence which may have a significant impact on the financial position and the operating performance of the Company including the violation of law or code of business conduct, or any suspicious issues in the financial report or internal control system, the Audit and Corporate Governance Committee shall report the concerns to the Board of Directors for further improvement and correction.

(4) Whistleblowing

In case that stakeholders require to do whistle blowing or make any complaints to the Company, the below channels have been set up as the guideline.

1. Provide channel for stakeholders to do whistle blowing or make complaints

Any stakeholder wishes to communicate to the Board of Directors directly without passing through the management of the Company to express his opinions about the operation of the Company's business including whistle blowing or complaints such as incorrect financial report, violation of the law or ethics or deficiency of internal control system, etc. may address his communication directly to the Audit and Corporate Governance Committee.

By post: Mr. Thira Wipuchanin
Chairman of the Audit and Corporate Governance Committee
Lam Soon (Thailand) Plc.
64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea,
Khet Bangna, Bangkok 10260

By email: acthira@hotmail.co.th

2. Protection of informer's identity

A stakeholder who communicate or make complaints in item 1 will not be required to disclose his name.

3. Action after receiving concerns or complaints

The Audit and Corporate Governance Committee shall investigate the information and facts given by the informer in item 1 and report to the Board within 30 days of the date receiving the information.

The Company has disclosed on its website the details related to receiving complaint-making and notifications of whistle-blowing in Code of Business Conduct. : https://lamsoon.co.th/wp-content/uploads/2024/03/LST-CODE-OF-BUSINESS-CONDUCT-Booklet-EN-11032024ver.Final_.pdf

8.2 Report on the results of duty performance of the Audit and Corporate Governance Committee in the past year

The Audit and Corporate Governance Committee shall comprise at least 3 independent directors. The members of the Audit and Corporate Governance Committee must be appointed by the Board of Directors with at least 1 committee member possessing sufficient knowledge and experience in order to perform his/her/their duties of reviewing the credibility of the financial statements. The members of the Audit and Corporate Governance Committee must be directors of the Company who are qualified as “independent directors” pursuant to the definition announced by the Company and in accordance with the stipulations of the Capital Market Commission and the regulations of the Stock Exchange of Thailand. The Chairman of the Audit and Corporate Governance Committee can be the same person as the Chairman of the Board. The term of office shall be 3 years to comply with the office term as directors, ending at the annual general meeting of shareholders. Nevertheless, a retiring member is eligible for re-appointment.

Finance and Accounting Manager shall be designated as Secretary to the Audit and Corporate Governance Committee to provide support to the Audit and Corporate Governance Committee’s proceedings, including setting up meeting appointments, preparing meeting agendas, distributing meeting documents, taking minutes of meeting, and other tasks as assigned by the Audit and Corporate Governance Committee.

Duties and Responsibilities of the Audit and Corporate Governance Committee

1. To review the credibility and sufficiency of the financial reporting;
2. To approve the disclosure of quarterly financial statements to the SET;
3. To review the adequacy and effectiveness of internal control systems and internal audit functions and the independence of internal auditing unit as well as to approve the appointment, transfer, performance appraisal, dismissing of the head of internal auditing unit or any other unit responsible for internal auditing;
4. To review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws;
5. To consider, select, propose the appointment of, and terminate an independent person to work as the external auditors including the audit fee. The Audit and Corporate Governance Committee shall hold at least one meeting with the auditor without the management’s presence at the meeting;
6. To consider all connected transactions or the conflict-of-interests transactions disclosures in compliance with the laws and regulations of the SET, to ensure that the transaction is justified and for the best benefit of the Company;
7. To report the operating results of the internal audit to the Board of Directors on quarterly basis, which including the Audit and Corporate Governance Committee’s opinion on the internal audit, opinions on financial reports, adequacy of internal control systems, and other applicable topics to the Board of Directors as deemed appropriate;
8. To report the activities of the Audit and Corporate Governance Committee in the Company's annual registration statement / annual report (Form 56-1 One Report), which must be signed by the Chairman of the Audit and Corporate Governance Committee. The following information should be included in the report:-

- (8.1) Comments on the Company's financial reporting process and the disclosure of its financial information, which must be correct, sufficient, and credible
 - (8.2) Comments on the adequacy of the Company's internal control systems
 - (8.3) Comments on compliance with the Securities and Exchange Acts, regulations of the SET, and any other relevant laws
 - (8.4) Comments on whether the Company's auditor is suitable
 - (8.5) Comments on the transaction with potential conflicts of interest
 - (8.6) The number of Audit and Corporate Governance Committee's meetings and meeting attendance of each member
 - (8.7) General comments or observation from the performing of duties according to the Charter
 - (8.8) Other statements that shareholders and general investors deem to be considered under the scope of the functions and responsibilities assigned to them by the board
9. To ensure that the management has a mechanism to receive complaints and supervise the proper handling of complaint receipt;
 10. To propose the Good Corporate Governance Guidelines to the Board of Directors;
 11. To monitor the performance of the Directors and Executives in compliance with Good Corporate Governance Practices and the Securities Exchange of Thailand's Good Corporate Governance Practices;
 12. To consider, review, and revise the Good Corporate Governance Policy consistently;
 13. To report to the Board of Directors about the Company's good corporate governance performance supported by comments, guidelines, and recommendations for improvement as appropriate;
 14. To ensure that the Chairman and the members of Audit and Corporate Governance Committee shall attend the shareholders' annual general meeting in order to classify issues associated with the Audit and Corporate Governance Committee or appointment of the external auditors;
 15. To assess its own performance (Self-Assessment) and report the findings to the Board of Directors for acknowledgment as a whole and on individual basis;
 16. To regularly review the Charter of Audit and Corporate Governance Committee;
 17. To take care of any other matters assigned by the Board of Directors;
 18. There shall be at least 4 meetings of the Audit and Corporate Governance Committee per year. At a meeting, at least half the number of the members of the Audit and Corporate Governance Committee must be present to constitute a quorum;
 19. The Audit and Corporate Governance Committee performs duties within its authority and responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to shareholders, stakeholders, and the public.

8.2.1 Specify the total number of the Audit Committee's meetings and the attendance of each member

In 2023, the Audit and Corporate Governance Committee held 4 meetings, with the attendance of each member shown as below:-

Name	Position	Period of Directorship	Attendance / Total Meetings
(1) Mr. Thira Wipuchanin	Chairman of the Audit and Corporate Governance Committee	2023-2026	4/4
(2) Assoc. Prof. Preecha Jarungidanan, Ph.D.	Independent Director	2023-2026	4/4
(3) Mr. Banchong Chittchang	Independent Director	2023-2026	4/4

8.2.2 The results of duty performance of the Audit and Corporate Governance Committee

In 2023, the Audit and Corporate Governance Committee has fulfilled and executed its duties and responsibilities in compliance with the Stock Exchange of Thailand's regulations and other activities assigned by the Board. The Committee held 4 meetings within the year, with substantive agenda as follows:

1. Approval of quarterly financial statements and review of annual financial statements including the disclosures of information in Notes to Financial Statements, submitted to the Board of Directors. The financial statements were in accordance with generally accepted accounting principles. The disclosures of information in Notes to Financial Statements were found to be adequate and accurate;
2. Examination of the reports and recommendations of internal audit regarding the internal control and risk management as set out in the annual audit plan, with proposals to the management to take necessary actions. In 2023, the Company was found to have exercised an appropriate and effective internal control and risk management system, with transparent governance and no material management failures;
3. Consultative meetings with the management, external and internal auditors in order to make suggestions and practical guidelines for management. The management has subsequently adopted these suggestions to improve the Company's working efficiency;
In addition, in 2023 the Committee had 2 meetings with the external auditors without the management attending. The information disclosed by the management to the auditors was found to be adequate without any deficiencies;
4. Consultative meetings with the management and external auditors regarding the implementation of new Thai Accounting Standard and the readiness of the Company;
5. Proposal to the Board of Directors to consider the 2024 annual audit plan and renewal of the appointment of Dr. Virach and Associates to be outsourced internal auditor for a further one-year term, to 31 December 2024, including appropriate remuneration;
6. Consideration of the principles of Good Governance for Listed Companies, which Thai Institute of Directors (IOD) and the Stock Exchange of Thailand (SET) updated and improved to meet the standards of ASEAN CG Scorecard;
7. Reports to the Board of Directors the results of the meetings and all activities undertaken by the Audit and Corporate Governance Committee;
8. Proposal to the Board of Directors for approval at the 2024 Annual General Meeting of Shareholders, the appointment of EY Office Limited to be the statutory auditor of the Company for 2024 including appropriate remuneration;

9. Consideration of “Board Self-Assessment” Form, a part of the Corporate Government Self-Assessment, as an instrument to internally practice for good corporate governance principles.

The Audit and Corporate Governance Committee concluded that management continued systematically to exercise good internal control and did not find that any relevant statutes and regulations have been contravened.

8.3 Summary of the results of duty performance of sub-committees

8.3.1 The total number of the sub-committees’ meetings and the attendance of each member

Nomination Committee

In 2023, the Nomination Committee held 3 meetings, with the attendance of each member shown as below:-

Name	Position	Period of Directorship	Attendance / Total Meeting
(1) Datuk Simon Shim Kong Yip	Chairman of the Nomination Committee	2023-2026	2/3
(2) Assoc. Prof. Preecha Jarungidanan, Ph.D.	Independent Director	2023-2026	3/3
(3) Mr. Banchong Chittchang	Independent Director	2023-2026	3/3
(4) Lackana Leelayouthayotin, Ph.D.	Independent Director	2023-2026	3/3
(5) Mr. Whang Shang Ying	Executive Director	2023-2026	3/3

The Nomination Committee shall comprise at least 3 directors, majority of whom should be independent directors. The Chairman of the Nomination Committee shall not be the same person as the Chairman of the Board. The term of office shall be 3 years to comply with the office term as directors, ending at the annual general meeting of shareholders. Nevertheless, a retiring member is eligible for re-appointment.

Duties and Responsibilities of the Nomination Committee

- To consider and review the current structure of the Board of Directors whether it fits the Company’s business strategies and provide improvement, recommendations including the director nomination to suit the corresponding structure by presenting the Director Qualifications and Skills Matrix showing competencies of the existing directors and the attributes being sought to suit the needs of the Board of Directors at that time;
- To define nomination process and criteria in accordance with the composition and qualifications stated in 1;
- To assess director independence qualification in accordance with the SEC regulations;
- To select, assess and recommend to the Board based on a due diligence investigation and interviews, technically competent persons of

- integrity, principle and who foster and practice highest standard of professionalism for appointment as directors;
5. To allow minority shareholders to nominate a director candidate to the Nomination Committee; a time frame for the nomination process must be in place to ensure that the Nomination Committee will have sufficient time to perform due diligence on the candidate's background before the shareholders' annual meeting;
 6. To disclose the director nomination policies and procedures to shareholders with a view to ensure transparency in selection of directors. A director nomination form should be available and contain relevant appointment information including supporting reasons and willingness of the nominated candidates;
 7. To consider the characteristics of the nominees for the Board members by following guidelines in selecting director candidates:-
 - (7.1) General characteristics of individual director
 - integrity and accountability
 - informed judgment
 - prudence and maturity i.e. able to engage in constructive debates and give independent opinions
 - principled and professional
 - other characteristics as the Nomination Committee deems appropriate
 - (7.2) Competencies in the following areas to ensure the Board's overall suitability
 - accounting and finance
 - organisation and human resource management
 - risk management
 - crisis management
 - legal and compliances
 - industry knowledge
 - international marketing
 - strategic planning
 - other competencies as the Nomination Committee deems appropriate
 8. To consider and review Board members development programme in order to ensure that all directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements, the annual budget of which should be set at an appropriate amount;
 9. To supervise and ensure that the Company arranges orientation programmes and provide welcoming package that is beneficial to the newly appointed director(s) to perform the roles and responsibilities;
 10. To assess its own performance (Self-Assessment) and report the findings to the Board for acknowledgment as a whole and on individual basis;
 11. To regularly review the Charter of Nomination Committee;
 12. To be responsible for establishing a succession plan the Company's Managing Director and propose to the Board of Directors;
 13. To be responsible for recruiting suitable executive candidates, providing training programme and retaining the executives;

14. To take care of any matters assigned by the Board of Directors;
15. Meetings of the Nomination Committee are to be called whenever the Committee or the Chairman of the Committee sees fit. Nevertheless, there shall be at least 2 meetings per year. At a meeting of the Nomination Committee, at least half the number of the members of the Nomination Committee who should be independent director, must be present to constitute a quorum.

Remuneration Committee

In 2023, the Remuneration Committee held 2 meetings, with the attendance of each member shown as below:-

Name	Position	Period of Directorship	Attendance / Total Meetings
(1) Assoc. Prof. Preecha Jarungidanan, Ph.D.	Chairman of the Remuneration Committee	2022-2025	2/2
(2) Mr. Banchong Chittchang	Independent Director	2022-2025	2/2
(3) Mr. Whang Shang Ying	Executive Director	2022-2025	2/2

The Remuneration Committee shall comprise at least 3 directors, majority of whom should be independent directors. The Chairman of the Remuneration Committee must be an independent director who shall not be the same person as the Chairman of the Board. The term of office shall be 3 years to comply with the office term as directors, ending at the annual general meeting of shareholders. Nevertheless, a retiring member is eligible for re-appointment.

Duties and Responsibilities of the Remuneration Committee

1. To set the criteria and procedure for determining remuneration of directors, executive directors, managing director and proposed to the Board of Directors and/or the shareholders' meeting for approval;
2. To consider the remuneration of the Board of Directors and executives, as compared to the remuneration offered by other listed companies operating in the same business, to motivate them to foster the Company's continuous development;
3. To propose guidelines for assessing the performance outcomes and compensation for managing director for the Board's approval;
4. To report regularly on progress and performance results to the Board of Directors after every meeting of the Remuneration Committee;
5. To assess its own performance (Self-Assessment) and report the findings to the Board for acknowledgment as a whole and on individual basis;
6. To regularly review the Charter of Remuneration Committee;
7. To take care of any other matters assigned by the Board of Directors;
8. Meetings of the Remuneration Committee are to be called whenever the Committee or the Chairman of the Committee sees fit. Nevertheless, there shall be at least 2 meetings per year. At a meeting of the Remuneration Committee, at least half the number of the members of the Remuneration Committee who should be independent director, must be present to constitute a quorum;

Risk Management Committee

In 2023, the Risk Management Committee held 4 meetings, with the attendance of each member shown as below:

Name	Position	Period of Directorship	Attendance / Total Meeting
(1) Mr. Poomkiet Chotichaicharin	Managing Director and Chief Risk Officer	2022-2025	4/4
(2) Ms. Piyathida Sukchan	Executive Director and Company Secretary	2022-2025	4/4
(3) Mr. Virat Suwannarat	Vice President Human Resources	2022-2025	4/4
(4) Mr. Nattapong Mathakun	Bangpoo Plant Manager	2022-2025	4/4

The Board of Directors realised the importance of the Risk Management. Therefore, in 2016, the Board approved to formalise the Risk Management Committee comprising senior managements and Managing Director as being Chief Risk Officer. Duties and responsibilities of the Risk Management Committee were indicated. The Management then has to evaluate the risk in every unit and work process, assess the efficiency and existing control measure, and propose plan and method to reduce risk to the Board of Directors.

The Risk Management Committee shall comprise a minimum of 3 members who are appointed by the Board from non-executive directors, senior management, together with the Managing Director. The term of office shall be 3 years. The Committee reports directly to the Board through Audit and Corporate Governance Committee review.

Duties and Responsibilities of the Risk Management Committee

1. To assist the Board in setting a policy of risk management, including annually agreeing risk tolerance and appetite levels, in liason with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and integrated reporting;
2. To ensure that an appropriate policy and plan for a system of risk management is developed by the management, approved by the Board and distributed throughout the Company;
3. To annually review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk policies and strategies are effectively managed by management and that risks taken are within the agreed tolerance and appetite levels;
4. To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;
5. To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or

- tolerance for risk. A framework and process to anticipate unpredictable risks should also be implemented;
6. To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually;
 7. To oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
 8. To review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
 9. To monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts;
 10. To provide an independent and objective oversight and view of the information on corporate accountability and specifically associated risk, also proposing to the Audit and Corporate Governance Committee and then to the Board on all categories of identified risks facing the Company.
 11. To review the strategy, policy and risk tolerance and appetite recommended by the management. The Committee will ensure compliance with such policies in accordance with the overall risk profile of the Company. Risk in the widest sense, i.e. enterprise-wide risk, will be considered by the Committee;
 12. To review the management reports detailing the adequacy and overall effectiveness of risk management, its implementation by management, reports on internal control and any recommendations and confirm that appropriate action has been taken;
 13. To address key risk areas and key performance indicators (KPI) of the Company, and monitor these factors as part of a regular review of processes and procedures to ensure the effectiveness of its internal systems of control;
 14. To assist the Board in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function.

Sustainability Committee

In 2023, the Sustainability Committee held 2 meetings, with the attendance of each member shown as below:

Name	Position	Period of Directorship	Attendance / Total Meeting
(1) Mr. Whang Shang Ying	Executive Director and Chairman of Sustainability Committee	2023-2026	1/2
(2) Mr. Poomkiet Chotichaicharin	Managing Director and Vice Chairman of the Sustainability Committee	2023-2026	2/2
(3) Ms. Piyathida Sukchan	Executive Director and Secretary of Committee	2023-2026	2/2
(4) Mr. Virat Suwannarat	Vice President Human Resources	2023-2026	2/2
(5) Mr. Nattapong Mathakun	Bangpoo Plant Manager	2023-2026	2/2
(6) Mr. Chuchai Singruenroeng	Supply Chain Manager	2023-2026	2/2
(7) Mr. Supoch Pangjan	Trang Mill Manager	2023-2026	2/2
(8) Mrs. Jeeratchaya Siriwattamon	Assistant Company Secretary and Head of Sustainability Working Group	2023-2026	2/2

The Board of Directors recognises the importance of the sustainable development. Therefore, in 2023, the Board approved to formalise the Sustainability Committee comprising Executive Director and Management, and setting out its duties and responsibilities to ensure that business operations meet the relevant sustainability standards.

The Sustainability Committee shall comprise a minimum of 3 members who are appointed by the Board, at least one member of which must be the Company's director. The term of office shall be 3 years. The Committee reports directly to the Board.

Duties and Responsibilities of the Sustainability Committee

1. To consider and set goals, policies, strategies, and action plans on sustainability that in line with the Company's business operations in the economic, social, and environmental dimension;
2. To identify key sustainability issues and update the Board of Directors regarding the sustainability development of the Company;
3. To monitor and supervise the management to take sustainability issues as part of the strategy formulation and annual plans as well as indicators of the Company's sustainability performance;
4. To supervise the disclosure of information regarding the Company's sustainability report to comply with relevant regulations;

5. To supervise the Company's operations with responsibility towards the economy, society, environment, and all stakeholders;
6. To take care of any matters assigned by the Board of Directors.

8.3.2 The duty performance of the sub- committees

Nomination Committee

In 2023, the Nomination Committee organised a total of 3 meetings and the summary of key points of the meeting are as follows:

- 1) Considered the nomination and selection of qualified and suitable person as replacement for the Board of Directors who resigned or retired by rotation
- 2) Considered the nomination and selection of qualified and suitable person to replace and/or succession of executive positions
- 3) Considered and proposed appointing the Sustainability Committee
- 4) Reported their duties to the Board of Directors

Remuneration Committee

In 2023, the Remuneration Committee organised a total of 2 meetings and the summary of key points of the meeting are as follows:

- 1) Considered and reviewed the appropriateness of the pattern and criteria of the remuneration, including determine the KPI's performance indicators of the executives
- 2) Reviewed the annual Directors' remuneration for the year 2024
- 3) Considered the 2023 annual bonus payment rate and the 2024 annual salary increase rate for employees
- 4) Reported their duties to the Board of Directors

Risk Management Committee

In 2023, the Risk Management Committee organised a total of 4 meetings and the summary of key points of the meeting are as follows:

- 1) Considered major risks of the Company, evaluated and proceeded with risk management in accordance with business
- 2) Supervised and promoted the risk management as planned
- 3) Considered the guidelines for personal data protection according to the Personal Data Protection Act B.E. 2562
- 4) Considered guidelines and established procedures for any construction and repair work in the factory area to prevent accidents
- 5) Considered the guidelines and measures to protect the organisation's computer network system, including defined the IT department's plans related to cyber security

Sustainability Committee

In 2023, the Sustainability Committee organised a total of 2 meetings and the summary of key points of the meeting are as follows:

1. Strategy, Direction and Operational Policy


The Company has set Strategy, Direction and Operational Policy to cover all dimensions namely:

- 1) **E** : Environmental
- 2) **S** : Social
- 3) **G** : Governance




2. Sustainability Projects to be consistent with policy and Organization's sustainable development plan

In 2023, the Company has implemented the Sustainability Projects to be consistent with policy and Organization's sustainable development plan, including in comply with ESG principles are as follows:




Project : Bans on Use of Styrofoam & Waste Separation Project






Overall Result :

Objectives & Benefits

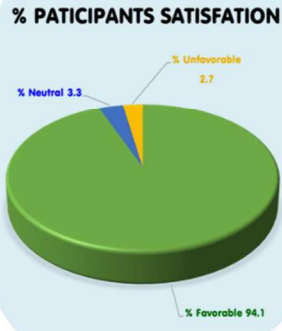
1. Saving cost for company by reducing usage of plastic rubbish bags.
2. Conserving the environment save energy and reduce greenhouse gases.






% PATICIPANTS SATISFACTION




COST SAVING




Bangna	19,016.40 THB/Year
Bangpoo	7,915.44 THB/Year
Trang	7,452.46 THB/Year
Totals	34,384.30 THB/Year

Comply with **SUSTAINABLE DEVELOPMENT GOALS** :


11 SUSTAINABLE CITIES AND COMMUNITIES




13 CLIMATE ACTION




14 LIFE BELOW WATER




15 LIFE ON LAND










Project : LST Mangrove Planting



Objectives & Benefits of Mangrove Planting

1. Reducing CO₂ Emission.
2. Increasing O₂ into atmosphere.
3. Conserving the mangrove ecosystem.

Overall Result :

We planted 270 trees.




~2,500 kg CO₂ / Year




Reference : 1) Thailand Greenhouse Gas Management Organization (Public Organization) (TGO)
2) Green Globe Institute

Comply with **SUSTAINABLE DEVELOPMENT GOALS** :


13 CLIMATE ACTION




14 LIFE BELOW WATER




15 LIFE ON LAND




% PATICIPANTS SATISFACTION



Collaborate with :




Royal Thai Army




Hat Chao Mai National Park

Place :



Bangpoo Nature Education Center



Shore of Hat Chao Mai National Park

Annual Registration Statement 2023 (FORM 56-1 One Report)

Lam Soon (Thailand) Public Company Limited



Project : Shaded Awning for Kids



Objectives & Benefits

1. Reducing energy usage by shaded awning around school building & educating for Waste Separation to students.
2. Build good relationship with local communities & government sectors.



Comply with **SUSTAINABLE DEVELOPMENT GOALS** :

Collaborate with :

Children's Center,
Sirindhorn Royal College



Project : The Implementation of Corporate Governance Code for Listed Companies



evaluated by :



Thai Institute of Directors

LST - Score of Corporate Governance

2023 = 96% or in 5-star "Excellence"

2022 = 90% or in 5-star "Excellence"

3. Goals Setting to be consistent with policy and Organisation's sustainable development plan

The goals for 2024 have been set to be consistent with policy and Organisation's sustainable development plan as follows:

Titles	Usage in 2023	Target in 2024
1. Water Resource Management (m ³ /tons product)	0.354	0.350
2. Waste Control and Pollution Reduction Management (kg/tons product)	0.557	0.550
3. Greenhouse Gas Emissions Reduction Management (tonCO ₂ -eq/tons product)	0.153	0.152

9. Internal Control and Related Party Transactions

Internal Control Management

The Company places importance on internal control system which it regards as a vital management tool to reduce business risk, to build up a confidence of business management, to assist the Company operating efficiency and fulfill expected goal. The internal control system also enhances shareholders' benefits and investment, supports verification and creditability of financial statement reports and operating reports of the Company, prevents loss of assets and assists employees working under laws and regulations.

The Company does not set up an internal audit unit but it has employed Dr. Virach & Associates Office to be the Company's internal auditors since 2004 because the proper role of internal auditor is to independently perform auditing services to assist in the attainment of good corporate governance and develop the efficiency and effectiveness of operations. Internal auditing also delivers an advice on the Company's financial, operation and risk management supporting the Company to achieve its objectives and corporate goal. Therefore, internal auditing process requires transparency and real independence by implementing a check and balance measure. It also can provide an early warning sign of misconduct or corporate corruption. As a result, the consideration being given outsourcing the internal auditors to perform internal auditing functions is appropriate. The outsourced internal auditors can be an eligible intermediary between the management team and the operating units. Furthermore, it also mitigates the problem of internal coordination.

During the Board Meeting No. 1/2024 held on 23 February 2024, in the presence of 3 independent directors and audit and corporate governance committee members, the Board reviewed the internal control system of the Company by using the evaluation form initially completed and presented by the management and reviewed by the audit and corporate governance committee. The evaluation of the internal control system of the Company covered 5 areas, namely organisation and environment, risk management, operational control of the management, information system and communication, and monitoring. The Board, upon the recommendation of the Audit and Corporate Governance Committee, concluded and provided an opinion that the Company has adequate internal control system for the above mentioned areas.

Besides, the business transactions with majority shareholder and subsidiary companies are mentioned in the Notes to the Financial Statements item 6, as well as complied with the rules and regulations of the SET regarding related transactions. The Board provided the opinion that the Company maintains adequate internal measures.

Other significant items of internal control have been reviewed every quarter by the audit and corporate governance committee and the Company's internal auditor, Dr. Virach & Associates. Major issues are reported to the Board by the audit and corporate governance committee. The Board provided an opinion that Company's internal control measure is further strengthened by the quarterly review as well.

Related party transactions

1. necessity and reasons for the related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Related party transactions with United Palm Oil Industry Public Company Limited (UPOIC) and Universal Food Public Company Limited (UFC).

Relation	Transactions	Value of Transactions (million Baht)		Pricing Policy	Necessity
		2023	2022		
Subsidiary company	Purchase of raw materials	647	1,533	Market prices on the contract date	CPO is the major raw material of the Company and there is a shortage of local supply of CPO in some seasons, therefore, it is necessary for the Company to buy CPO from UPOIC.
	Sales of goods	2	-	Market price	This is the selling of vegetable oil to UFC.
	Purchase of goods	428	390	Market prices less fixed margin	The Company has been appointed as the distributor of UFC products for domestic sales.
	Dividend income	154	176	At the declared rate	This is the dividend received from investment in UPOIC and UFC.
	Rental income	2	2	Market price	Renting offices to UFC and UPOIC at the same area among the Company group is to save handling expenses and be flexible for daily operation.
	Selling administrative service income	39	40	Actual charge	This is selling and administrative expenses from being the distributor for UFC.

The balances of the accounts as at 31 December 2023 and 2022 between the Company, subsidiaries, and those related companies have been declared in Notes to financial statements item no. 6.

2. Measures or criteria to approve related party transactions

In 2023, the Company's purchases of CPO, CPKO, PKS and FFB from UPOIC accounted for 12.51% (2022 : 22.44%) of its total CPO, CPKO, PKS and FFB purchase. The buying was based on the ongoing market price as normal business transaction on an arm's length basis. It was done without any commitment, but on the basis of the CPO purchase contract and in compliance with normal business practice in the palm oil industry.

For UFC products, the Company buys the products from UFC at the selling price sold by the Company less a fixed margin which is determined on an arm's length basis between the two companies' respective management.

3. Related party transactions in the future

The Company has had business transactions with UPOIC prior to the Company becoming its major shareholder. So long as the Government's policy of each year on CPO stock management in nationwide is unclear, the Company will have to source CPO from UPOIC because CPO is the major raw material of the Company. Nevertheless, the Company can and does buy CPO at same price from other crushing mills as additional sources of supply.

The Company will continue to act as distributor of UFC in order to reduce the average selling and administrative expenses of the group as a whole.

Section 3

Report and Consolidated Financial Statements

Lam Soon (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of Lam Soon (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Lam Soon (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Lam Soon (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lam Soon (Thailand) Public Company Limited and its subsidiaries and of Lam Soon (Thailand) Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Sales of goods are significant accounting transactions as they represent material amounts in the financial statements and directly affect profit or loss of the Group. In addition, the sales transactions of the Group are made with a large number of customers such as traditional trade customers, modern trade customers and overseas customers, pertaining to matters such as sale promotions, discounts and special discounts to boost sales. As a result, the Group's recognition of revenue from sales and recording of sale promotions and discounts are complex. I therefore focused my audit on the revenue recognition of the Group.

I examined the Group's revenue recognition by assessing and testing the Group's IT system and internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Group issued after the period-end. I also performed analytical procedures on disaggregated data and correlation analysis of accounting records between revenue from sales, accounts receivable and cash receipts to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Impairment of goodwill

I have focused my audit on the impairment of goodwill, as disclosed in Note 18 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the average costs of the Group and of the industry, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosure made with respect to impairment assessment for goodwill.

The fair value measurement of biological assets - palm fruit on trees

As disclosed in Note 4.10 and Note 10 to the financial statements, the subsidiary records biological assets - palm fruit on trees at their fair value less point of harvest cost to sell. The measurement of fair value of biological assets - palm fruit on trees requires the estimating data and assumptions consisting of the estimated harvesting volume and selling price at each point of harvest, considering that they correspond to the nature and circumstances of the biological asset being measured, based on the exercise of the judgement of the internal agricultural officers and management as to the basis and assumptions relevant to the estimations. There may be a risk with respect to the value of biological assets. Thus, I have focused my audit on the fair value measurement of biological assets - palm fruit on trees.

In order to audit this matter, I gained an understanding of, assessed and tested controls of the Group related to the fair value estimation of the biological assets, considered the estimating data preparation, assumptions defining and the valuation method applied by management of the Group. I assessed the estimating data and assumptions used in the valuation by making enquiries of the internal agricultural officers and management, comparing the data used by the Group with historical data, and testing the calculation. Moreover, I reviewed the disclosure made in the notes to the financial statements.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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

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

S. Ratananurak _____

Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753

EY Office Limited
Bangkok: 23 February 2024

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Assets					
Current assets					
Cash and cash equivalents	7	427,364,836	347,587,936	155,927,604	121,063,178
Trade and other receivables	6, 8	1,347,339,142	1,220,614,308	1,113,196,270	1,041,444,762
Current portion of finance lease receivables		118,600	699,293	-	-
Inventories	9	1,874,851,474	2,023,537,298	1,270,271,953	1,420,688,381
Biological assets	10	195,368,230	203,525,992	-	-
Value added tax refundable		7,469,379	18,399,767	-	-
Other current financial assets		-	783,753	-	783,753
Other current assets		28,124,865	27,272,120	9,645,855	8,304,152
Total current assets		3,880,636,526	3,842,420,467	2,549,041,682	2,592,284,226
Non-current assets					
Financial lease receivables - long-term portion		378,878	20,706	-	-
Investments in subsidiaries	11	-	-	1,334,158,224	1,334,158,224
Investment in joint venture	12	94,967,785	62,450,037	-	-
Investment in associates	13	-	-	-	-
Long-term loans to other company	14	15,640,000	16,560,000	-	-
Investment properties	15	61,768,450	61,931,259	5,614,752	5,614,752
Property, plant and equipment	16	2,538,415,300	2,511,627,305	956,446,047	945,036,564
Right-of-use assets	23	56,019,026	49,685,318	5,736,980	3,234,886
Bearer plants	17	166,346,327	172,093,061	130,412	142,176
Goodwill	18	196,376,189	196,376,189	-	-
Intangible assets	19	5,705,882	6,227,874	5,249,440	5,765,736
Deferred tax assets	29	43,227,404	40,706,672	23,811,863	22,529,532
Other non-current financial assets		23,425	23,425	23,425	23,425
Other non-current assets		2,901,466	4,109,116	607,501	869,758
Total non-current assets		3,181,770,132	3,121,810,962	2,331,778,644	2,317,375,053
Total assets		7,062,406,658	6,964,231,429	4,880,820,326	4,909,659,279

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	20	519,000,000	901,000,000	319,000,000	711,000,000
Trade and other payables	6, 21	756,533,395	615,806,035	606,598,312	446,729,877
Current portion of long-term loans	22	-	31,666,667	-	-
Current portion of leases liabilities	23	9,942,728	4,534,668	976,485	479,838
Income tax payable		56,925,068	55,127,607	17,664,872	21,378,293
Advance received from customers		39,854,750	31,025,766	3,668,417	2,579,342
Other current financial liabilities		5,039,807	4,730,934	1,920,948	1,623,580
Other current liabilities		771,013	862,533	5,403	187,462
Total current liabilities		1,388,066,761	1,644,754,210	949,834,437	1,183,978,392
Non-current liabilities					
Long-term loans - net of current portion	22	5,000,000	26,666,667	5,000,000	-
Lease liabilities - net of current portion	23	57,644,663	54,949,522	5,182,913	2,854,195
Deferred tax liabilities	29	21,495,144	22,840,677	-	-
Provision for long-term employee benefits	24	204,624,181	195,362,179	108,174,586	101,890,067
Total non-current liabilities		288,763,988	299,819,045	118,357,499	104,744,262
Total liabilities		1,676,830,749	1,944,573,255	1,068,191,936	1,288,722,654

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements			
	As at	As at	As at	As at		
	Note	31 December 2023	31 December 2022	31 December 2023	31 December 2022	
Shareholders' equity						
Share capital						
Registered						
		820,000,000 ordinary shares of Baht 1 each	820,000,000	820,000,000	820,000,000	820,000,000
Issued and fully paid-up						
		820,000,000 ordinary shares of Baht 1 each	820,000,000	820,000,000	820,000,000	820,000,000
		Share premium	241,970,265	241,970,265	241,970,265	241,970,265
Other surpluses (deficits)						
		Premium on treasury stock	5,269,100	5,269,100	5,269,100	5,269,100
		Deficit on changes in shareholding in subsidiary	(6,592,600)	(6,592,600)	-	-
Retained earnings						
	25	Appropriated - statutory reserve	144,682,417	135,953,191	82,000,000	82,000,000
		Unappropriated	3,685,601,955	3,344,988,354	2,663,389,025	2,471,697,260
		Equity attributable to owners of the Company	4,890,931,137	4,541,588,310	3,812,628,390	3,620,936,625
		Non-controlling interests of the subsidiaries	494,644,772	478,069,864	-	-
		Total shareholders' equity	5,385,575,909	5,019,658,174	3,812,628,390	3,620,936,625
		Total liabilities and shareholders' equity	7,062,406,658	6,964,231,429	4,880,820,326	4,909,659,279
			-	-	-	-

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

.....
Directors
.....

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Revenue from contracts with customers	26	10,777,683,578	11,492,741,564	7,678,581,101	8,797,495,074
Dividend income	6, 11	214	-	153,916,670	175,631,143
Gain from change in fair value of biological assets		-	89,278,804	-	-
Compensation from insurance	36	-	12,262,299	-	-
Other income		125,920,417	164,376,420	35,855,746	50,638,704
Total revenues		10,903,604,209	11,758,659,087	7,868,353,517	9,023,764,921
Expenses					
Cost of sales	28	9,370,364,116	10,321,669,570	6,929,425,270	8,268,763,924
Selling and distribution expenses		585,470,315	556,934,799	378,516,174	325,134,921
Administrative expenses		275,597,240	241,841,084	145,472,243	131,817,946
Loss from change in fair value of biological assets		15,148,176	-	-	-
Total expenses		10,246,579,847	11,120,445,453	7,453,413,687	8,725,716,791
Operating profit		657,024,362	638,213,634	414,939,830	298,048,130
Share of gain from investment in joint venture	12	62,546,571	35,879,521	-	-
Finance income		2,679,770	902,128	719,877	205,948
Finance cost	27	(20,467,002)	(14,971,965)	(12,321,010)	(9,746,793)
Profit before income tax expenses		701,783,701	660,023,318	403,338,697	288,507,285
Income tax expenses	29	(125,258,474)	(125,800,494)	(50,055,966)	(22,740,970)
Profit for the year		576,525,227	534,222,824	353,282,731	265,766,315

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)	24	(13,053,403)	7,898,596	(7,311,086)	-
Income tax effect	29	2,610,680	(1,579,719)	1,462,217	-
Share of other comprehensive income of investment in joint venture - actuarial loss	12	(28,823)	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
- net of income tax		(10,471,546)	6,318,877	(5,848,869)	-
Other comprehensive income for the year		(10,471,546)	6,318,877	(5,848,869)	-
Total comprehensive income for the year		566,053,681	540,541,701	347,433,862	265,766,315
Profit attributable to:					
Equity holders of the Company		514,269,731	432,424,978	353,282,731	265,766,315
Non-controlling interests of the subsidiaries		62,255,496	101,797,846		
		<u>576,525,227</u>	<u>534,222,824</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		505,186,698	438,671,032	347,433,862	265,766,315
Non-controlling interests of the subsidiaries		60,866,983	101,870,669		
		<u>566,053,681</u>	<u>540,541,701</u>		
Basic earnings per share					
	31				
Profit attributable to equity holders of the Company		<u>0.63</u>	<u>0.53</u>	<u>0.43</u>	<u>0.32</u>

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements									
Equity attributable to the owners of the Company									
	Issued and paid up share capital	Share premium	Premium on treasury stock	Deficit on changes in shareholding in subsidiary	Retained earnings		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Note					Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2022	820,000,000	241,970,265	5,269,100	(6,592,600)	130,377,201	3,116,907,062	4,307,931,028	425,526,991	4,733,458,019
Profit for the year	-	-	-	-	-	432,424,978	432,424,978	101,797,846	534,222,824
Other comprehensive income for the year	-	-	-	-	-	6,246,054	6,246,054	72,823	6,318,877
Total comprehensive income for the year	-	-	-	-	-	438,671,032	438,671,032	101,870,669	540,541,701
Dividend paid	-	-	-	-	-	(204,998,975)	(204,998,975)	-	(204,998,975)
Reversal of prior year dividend	-	-	-	-	-	50,235	50,235	-	50,235
Appropriation of statutory reserve of subsidiary	-	-	-	-	5,575,990	(5,641,000)	(65,010)	65,010	-
Decrease in non-controlling interests from dividend payment of subsidiary	-	-	-	-	-	-	-	(49,392,806)	(49,392,806)
Balance as at 31 December 2022	820,000,000	241,970,265	5,269,100	(6,592,600)	135,953,191	3,344,988,354	4,541,588,310	478,069,864	5,019,658,174

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements									
Equity attributable to the owners of the Company									
				Deficit	Retained earnings		Total equity	Equity	Total
	Issued and	Share	Premium on	on changes in	Appropriated -	Unappropriated	attributable to	attributable to	shareholders'
Note	share capital	premium	treasury stock	in subsidiary	statutory reserve		the Company	the subsidiaries	equity
Balance as at 1 January 2023	820,000,000	241,970,265	5,269,100	(6,592,600)	135,953,191	3,344,988,354	4,541,588,310	478,069,864	5,019,658,174
Profit for the year	-	-	-	-	-	514,269,731	514,269,731	62,255,496	576,525,227
Other comprehensive income for the year	-	-	-	-	-	(9,083,033)	(9,083,033)	(1,388,513)	(10,471,546)
Total comprehensive income for the year	-	-	-	-	-	505,186,698	505,186,698	60,866,983	566,053,681
Dividend paid	34	-	-	-	-	(155,800,000)	(155,800,000)	-	(155,800,000)
Reversal of prior year dividend		-	-	-	-	57,903	57,903	-	57,903
Appropriation of statutory reserve of subsidiary	25	-	-	-	8,729,226	(8,831,000)	(101,774)	101,774	-
Decrease in non-controlling interests from dividend payment of subsidiary		-	-	-	-	-	-	(44,393,849)	(44,393,849)
Balance as at 31 December 2023	820,000,000	241,970,265	5,269,100	(6,592,600)	144,682,417	3,685,601,955	4,890,931,137	494,644,772	5,385,575,909

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements						
	Note	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings		Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022		820,000,000	241,970,265	5,269,100	82,000,000	2,410,879,686	3,560,119,051
Profit for the year		-	-	-	-	265,766,315	265,766,315
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	265,766,315	265,766,315
Dividend paid	34	-	-	-	-	(204,998,975)	(204,998,975)
Reversal of prior year dividend		-	-	-	-	50,234	50,234
Balance as at 31 December 2022		820,000,000	241,970,265	5,269,100	82,000,000	2,471,697,260	3,620,936,625

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements						
	Note	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings		Total shareholders' equity
					Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2023		820,000,000	241,970,265	5,269,100	82,000,000	2,471,697,260	3,620,936,625
Profit for the year		-	-	-	-	353,282,731	353,282,731
Other comprehensive income for the year		-	-	-	-	(5,848,869)	(5,848,869)
Total comprehensive income for the year		-	-	-	-	347,433,862	347,433,862
Dividend paid	34	-	-	-	-	(155,800,000)	(155,800,000)
Reversal of prior year dividend		-	-	-	-	57,903	57,903
Balance as at 31 December 2023		820,000,000	241,970,265	5,269,100	82,000,000	2,663,389,025	3,812,628,390

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	701,783,701	660,023,318	403,338,697	288,507,285
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	272,042,139	246,813,113	137,531,579	119,970,249
Loss (gain) from change in fair value of biological assets	15,148,176	(89,278,804)	-	-
Share of gain from investment in joint venture	(62,546,571)	(35,879,521)	-	-
Adjustment of last year corporate income tax	-	(58,999)	-	(58,999)
Bad debt	3,493,419	-	3,493,419	-
Increase (decrease) in allowance for expected credit losses	(2,883,781)	926	(2,883,781)	926
Increase (decrease) in allowance for diminution in inventory value	(11,928,929)	7,536,835	2,254,875	-
Loss on write-off inventory	-	1,718,089	-	1,718,089
Loss on write-off of bearer plants	15,874	2,855,555	-	-
Reversal of impairment loss of investment property	-	(1,190,800)	-	-
Loss (gain) on disposals/write-off of property, plant and equipment	(4,637,093)	253,283	(1,048,729)	(1,658,583)
Loss on impairment of assets (reversal)	4,150,453	(18,356,182)	-	-
Unrealised loss on exchange	7,842,718	4,810,720	2,825,881	681,787
Unrealised loss (gain) on fair value of derivatives	222,172	(783,753)	222,172	(783,753)
Gain on lease agreements	(541,914)	-	-	-
Provision for termination benefits and long-term employee benefits	19,059,968	18,750,312	9,983,758	9,254,676
Dividend income from subsidiaries	-	-	(153,916,457)	(175,631,143)
Dividend income from other companies	(214)	-	(214)	-
Finance income	(2,679,770)	(902,129)	(719,877)	(205,949)
Finance cost	20,467,002	14,971,965	12,321,010	9,746,793
Profit from operating activities before changes in operating assets and liabilities	959,007,350	811,283,928	413,402,333	251,541,378
Decrease (increase) in operating assets				
Trade and other receivables	(132,250,960)	358,738,398	(72,257,157)	320,299,978
Cash received from financial lease receivables	764,435	1,721,126	-	-
Inventories	160,614,753	(527,539,717)	148,161,553	(473,598,627)
Biological assets	(6,990,414)	(1,973,966)	-	-
Other current financial assets	783,753	-	783,753	-
Other current assets	10,217,347	588,971	(1,341,703)	4,425,752
Other non-current assets	1,302,650	2,942,460	262,257	(333,413)
Increase (decrease) in operating liabilities				
Trade and other payables	145,594,858	(11,790,126)	156,622,314	(199,550,974)
Other current financial liabilities	96,434	(2,340,093)	84,929	(1,594,914)
Other current liabilities	8,737,464	(760,203)	907,016	1,574,354
Provision for termination benefits and long-term employee benefits	(22,851,369)	(16,941,257)	(11,010,325)	(10,672,643)
Cash from (used in) operating activities	1,125,026,301	613,929,521	635,614,970	(107,909,109)
Cash received from interest income	2,679,770	902,129	719,877	205,949
Cash paid for interest expenses	(20,383,374)	(15,233,425)	(12,268,177)	(9,747,391)
Income tax refund	-	202,163	-	-
Cash paid for corporate income tax	(124,856,302)	(124,091,601)	(53,589,501)	(36,003,949)
Net cash from (used in) operating activities	982,466,395	475,708,787	570,477,169	(153,454,500)

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from investing activities				
Dividend received from subsidiaries	-	-	153,916,457	175,631,143
Dividend received from other companies	214	-	214	-
Dividend received from investment in joint venture	30,000,000	-	-	-
Decrease in long-term loans to other company	920,000	920,000	-	-
Acquisitions of property, plant and equipment	(291,117,553)	(296,077,263)	(147,731,957)	(197,564,158)
Advance payments for equipment	(95,000)	-	-	-
Proceeds from disposals of property, plant and equipment	7,813,147	2,854,727	2,145,674	1,790,438
Increase in bearer plants	(4,902,640)	(5,924,065)	-	-
Acquisitions of intangible assets	(865,985)	(1,904,536)	(630,800)	(1,711,790)
Net cash from (used in) investing activities	<u>(258,247,817)</u>	<u>(300,131,137)</u>	<u>7,699,588</u>	<u>(21,854,367)</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	(382,000,000)	375,000,000	(392,000,000)	480,000,000
Cash received from long-term loans	5,000,000	-	5,000,000	-
Repayment of long-term loans	(58,333,334)	(124,466,666)	-	-
Payment of lease liabilities	(8,962,665)	(2,444,803)	(560,501)	(97,294)
Dividend paid	(200,145,679)	(254,271,702)	(155,751,830)	(204,878,896)
Net cash from (used in) financing activities	<u>(644,441,678)</u>	<u>(6,183,171)</u>	<u>(543,312,331)</u>	<u>275,023,810</u>
Net increase in cash and cash equivalents	79,776,900	169,394,479	34,864,426	99,714,943
Cash and cash equivalents at beginning of the year	<u>347,587,936</u>	<u>178,193,457</u>	<u>121,063,178</u>	<u>21,348,235</u>
Cash and cash equivalents at end of the year (Note 7)	<u>427,364,836</u>	<u>347,587,936</u>	<u>155,927,604</u>	<u>121,063,178</u>

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment

that have not been paid

21,924,400 29,801,756 11,545,437 11,282,019

Increase in right-of-use assets and lease liabilities

17,065,866 18,936,801 3,385,866 3,431,327

Transfer of deposits for equipment to equipment

- 1,578,800 - -

Dividend payable

1,856,726 1,853,819 794,103 803,836

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2023

1. General information

Lam Soon (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Lam Soon Holding Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of palm oil. The registered office of the Company is at 64, Soi Bangna-Trad 25, Bangna Nuea, Bangkok.

2. Basis of preparation

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

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Lam Soon (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u> Percent	<u>2022</u> Percent
<u>Subsidiaries directly held by the Company</u>				
United Palm Oil Industry Public Company Limited	Palm oil plantation, crude palm oil and kernel palm oil processing	Thailand	69.96	69.96
Universal Food Public Company Limited	Manufacture and distribution of processed fruits and vegetables, canned juice and drinks	Thailand	98.85	98.85
<u>Subsidiary held by United Palm Oil Industry Public Company Limited</u>				
Phansrivivat Company Limited	Owner of palm oil plantation	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u> Percent	<u>2022</u> Percent
<u>Subsidiaries held by Phansrivivat Company Limited</u>				
Prachak Vivat Company Limited	Holder of concessions to use forest reserve land	Thailand	100	100
Phansri Company Limited	Holder of concessions to use forest reserve land	Thailand	100	100
<u>Subsidiary held by Universal Food Public Company Limited</u>				
Union Frost Company Limited	Providing cold room (Discontinued its operations in the second quarter of the year 2023)	Thailand	100	100

The frozen vegetable and fruit manufacturing business, which is operated by Union Frost Company Limited (“the subsidiary”), ceased production and laid off most of its employees since 2013. Thus far, the subsidiary is engaged in subleasing cold storage facilities for frozen goods and discontinued its operations in the second quarter of the year 2023. Currently, the management is under consideration to adjust its business model.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same reporting period and the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts to customers.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividend is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (Moving average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all cost of raw materials, labour and factory overheads.

Raw materials, chemicals, packing materials, spare parts and factory supplies are valued at the lower of cost (Moving average method) and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries, joint ventures and associates

Investments in joint venture and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.5 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 20 years. No depreciation is provided on investment properties - land. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives as follows:

Building	-	5 - 20 and 30 years
Building improvement	-	5 - 20 and 30 years
Waste water treatment	-	15 and 30 years
Machinery, factory and agricultural equipment	-	3 - 20 and 30 years
Furniture, fixtures and office equipment	-	3 - 15 and 20 years
Motor vehicles	-	5 - 15 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvement and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Bearer plants and amortisation

Bearer plants are stated at cost less accumulated amortisation and impairment losses (if any). The cost includes development costs of bearer plants before the production period.

Amortisation is calculated by reference to cost on a straight-line basis over the estimated remaining productive life of the bearer plants (the productive life of palm trees is generally 25 years).

Amortisation is included in determining income.

No amortisation is provided on bearer plants not ready for harvest.

Costs of supplying palm vacancies and infilling mature areas are recognised as expenses in profit or loss.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets and amortisation

Intangible assets are initially recognised at cost on the date of acquisition. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 and 10 years

4.10 Agriculture

The subsidiary's biological assets are palm fruit on tree and palm nursery for sale, and agricultural produce is palm fresh fruit brunch.

The fair value of palm fruit on tree is determined based on discounted cash flows reference to price of palm fruit at the front of the factory less estimated point of harvest costs. The palm fresh fruit brunch is determined by reference to price of palm fruit at the front of the factory less estimated selling expenses. The fair value of palm nursery for sale is determined by reference to selling price less estimated selling expenses. Gains or losses on changes in fair value of biological assets and the differences between fair value and costs of agricultural produce are recognised in profit or loss.

In case the fair value cannot be measured reliably, this biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the subsidiary shall measure it at fair value less costs to sell.

The agricultural produce is included in inventories.

4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	24 years
Building and building improvement	4 years 7 months
Machinery and equipment	3 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.13 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.15 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties, bearer plants and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.16 Treasury stock

Treasury stock is stated at cost and is presented as a reduction from shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock, losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock and retained earnings, consecutively.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats this severance payment obligation as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.21 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Agriculture

The subsidiary measures its biological assets - palm fruit on tree at the fair value less costs to sell. Such fair value is calculated using the discounted cash flows reference to price of palm fruit at the front of the subsidiary's factory, less estimated point of harvest costs. The valuation involves certain assumptions and estimates such as prices of palm fruit at the point of harvest, weight of palm fruit on tree and discount rate.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Contingent liabilities

The Company has contingent liabilities as a result of import duty and VAT assessment by the Customs Department. The Company's management has used judgement to assess of the results of the import duty and VAT assessment by the Customs Department and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchases of raw materials	-	-	647	1,533	Market prices on the contract date
Sales of goods	-	-	2	-	Price approximates market price
Purchases of goods	-	-	428	390	Market prices less fixed margin
Dividend income	-	-	154	176	At the declared rate
Rental income	-	-	2	2	Market price
Selling administrative service income	-	-	39	40	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	210	275	-	-	Price approximates market price
Purchases of goods	-	6	-	5	Price less marketing expenses and margin
Selling expenses	20	31	-	-	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Purchases of oil palm seeds and fresh fruit bunch	14	12	-	-	Market price
Land rental income	1	1	-	-	Agreed between the parties
Dividend income	30	-	-	-	At the declared rate

As at 31 December 2023 and 2022, the balances of accounts between the Company and those related parties are detailed as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade and other receivables - related parties</u> (Note 8)				
Subsidiaries	-	-	32,801	32,733
Related companies (related by common shareholders)	21,543	35,907	-	-
Total trade and other receivables - related parties	<u>21,543</u>	<u>35,907</u>	<u>32,801</u>	<u>32,733</u>
<u>Trade and other payables - related parties</u> (Note 21)				
Subsidiaries	-	-	114,950	76,142
Related companies (related by common shareholders)	14,093	24,691	-	28
Total trade and other payables - related parties	<u>14,093</u>	<u>24,691</u>	<u>114,950</u>	<u>76,170</u>

Selling and administrative service income

On 7 November 2011, the Company and Universal Food Public Company Limited (“UFC”), a subsidiary, entered into a memorandum related to the agency agreement dated 1 January 2023 whereby both parties agreed to change the terms and conditions on dealer compensation to comply with the general practice in the industry. The contract expired on 31 December 2023. The Company and UFC agreed to extend the agreement for another 6 months, starting from 1 January 2024 and expiring on 30 June 2024.

Directors and management’s remuneration

During the years ended 31 December 2023 and 2022, the Group had short-term employee benefits, post-employment benefits and other long-term benefits payable to their directors and management totaling Baht 159 million and Baht 147 million, respectively (the Company only: Baht 102 million and Baht 90 million, respectively).

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	3,204	3,136	1,710	1,607
Bank deposits	424,161	344,452	154,218	119,456
Total	<u>427,365</u>	<u>347,588</u>	<u>155,928</u>	<u>121,063</u>

As at 31 December 2023, bank deposits in savings accounts and time deposit accounts carried interests between 0.15 and 0.60 percent per annum (2022: between 0.05 and 0.50 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	9,338	35,907	236	150
Past due				
Up to 3 months	12,205	-	-	-
Total trade receivables - related parties	<u>21,543</u>	<u>35,907</u>	<u>236</u>	<u>150</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	26,164	21,053	26,164	21,053
Cheque returned	5,891	7,724	5,891	7,724
Not yet due	1,015,905	909,961	793,591	763,297
Past due				
Up to 3 months	267,825	245,587	256,795	218,338
3 - 6 months	38	265	38	265
6 - 12 months	325	1,107	325	1,075
Over 12 months	2,451	3,947	2,451	3,947
Total	1,318,599	1,189,644	1,085,255	1,015,699
Less: Allowance for expected credit losses	(6,853)	(9,737)	(6,853)	(9,737)
Total trade receivables - unrelated parties - net	<u>1,311,746</u>	<u>1,179,907</u>	<u>1,078,402</u>	<u>1,005,962</u>
Total trade receivables - net	<u>1,333,289</u>	<u>1,215,814</u>	<u>1,078,638</u>	<u>1,006,112</u>
<u>Other receivables</u>				
Other receivables - related parties	-	-	3,919	2,881
Other receivables - unrelated parties	13,785	3,610	2,702	3,459
Accrued income - related parties	-	-	28,646	29,702
Accrued income - unrelated parties	521	1,533	-	-
Advances - unrelated parties	518	431	-	-
Total	14,824	5,574	35,267	36,042
Less: Allowance for expected credit losses	(774)	(774)	(709)	(709)
Total other receivables - net	<u>14,050</u>	<u>4,800</u>	<u>34,558</u>	<u>35,333</u>
Total trade and other receivables - net	<u>1,347,339</u>	<u>1,220,614</u>	<u>1,113,196</u>	<u>1,041,445</u>

The normal credit term is 15 to 90 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	10,511	10,510	10,446	10,445
Provision for expected credit losses	609	1	609	1
Amount written off	(3,493)	-	(3,493)	-
Ending balance	<u>7,627</u>	<u>10,511</u>	<u>7,562</u>	<u>10,446</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	722,202	685,027	(7,817)	(22,402)	714,385	662,625
Work in process	938,771	1,148,109	-	-	938,771	1,148,109
Raw materials	57,131	37,285	(6,157)	(2,560)	50,974	34,725
Inventories in transit	12,328	5,961	-	-	12,328	5,961
Supplies, packing materials and spare parts	160,256	174,921	(1,863)	(2,804)	158,393	172,117
Total	<u>1,890,688</u>	<u>2,051,303</u>	<u>(15,837)</u>	<u>(27,766)</u>	<u>1,874,851</u>	<u>2,023,537</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	244,911	209,495	(2,255)	-	242,656	209,495
Work in process	940,077	1,145,300	-	-	940,077	1,145,300
Raw materials	18,153	1,575	-	-	18,153	1,575
Inventories in transit	10,998	1,671	-	-	10,998	1,671
Supplies, packing materials and spare parts	58,388	62,647	-	-	58,388	62,647
Total	<u>1,272,527</u>	<u>1,420,688</u>	<u>(2,255)</u>	<u>-</u>	<u>1,270,272</u>	<u>1,420,688</u>

During the current year, the Group reversed the write-down of cost of inventories by Baht 11.9 million and reduced the amount of inventories recognised as expenses during the year (The Company only: Reduced cost of inventories to net realisable value by Baht 2.3 million, which was included in cost of sales) (2022: Reduced cost of inventories to net realisable value by Baht 7.5 million, which was included in cost of sale (The Company only: Nil)).

10. Biological assets

Movements of the biological assets account for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Nursery for sales	Palm fruit on tree	Total
Balance as at 1 January 2022	13,462	98,811	112,273
Gain from changes in fair value	20,959	711,834	732,793
Increase from cultivate	17,884	-	17,884
Decrease from harvest	-	(619,334)	(619,334)
Decrease from sales	(32,993)	(2,460)	(35,453)
Decrease from write-off	(4,637)	-	(4,637)
Balance as at 31 December 2022	14,675	188,851	203,526
Gain from changes in fair value	37,528	392,044	429,572
Increase from cultivate	27,553	-	27,553
Decrease from harvest	-	(409,525)	(409,525)
Decrease from sales	(34,990)	(13,618)	(48,608)
Decrease from write-off	(7,150)	-	(7,150)
Balance as at 31 December 2023	37,616	157,752	195,368

Significant assumptions for the calculation of fair value are as follows:

Prices of palm fruit at the point of harvest are estimated based on the past purchase prices of palm fruit at the front of the subsidiary's factory less estimated harvesting cost and transportation cost from each estate.

Weight of palm fruit on tree are estimated with reference to the average weight for each age when harvest the palm fruit from historical information, including consideration on factors affecting fruit bearing and random sampling result.

In 2023, discount rate is estimated at the rate of 5 percent by weighted average cost of capital method (2022: 4 percent).

The results of sensitivity analysis for significant assumptions that affect the fair value of biological assets as at 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	2023		2022	
	Increase	Decrease	Increase	Decrease
	10%	10%	10%	10%
Prices of palm fruit at the point of harvest	16,127	(16,127)	19,485	(19,485)
Weight of palm fruit on tree	15,724	(15,724)	19,485	(19,485)

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2023	2022	2023	2022	2023	2022	2023	2022
			Percent	Percent				
United Palm Oil Industry Public Company Limited	324,050	324,050	69.96	69.96	748,344	748,344	102,022	113,358
Universal Food Public Company Limited	525,000	525,000	98.85	98.85	585,814	585,814	51,895	62,273
Total					1,334,158	1,334,158	153,917	175,631

As at 31 December 2023, the fair value of the investment in United Palm Oil Industry Public Company Limited, calculated based on latest bid price of the shares on the last trading day of the period as quoted on the Stock Exchange of Thailand and in proportion to the Company's shareholding, was approximately Baht 1,417 million (2022: Baht 1,496 million).

11.2 Details of investment in subsidiary that has material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2023	2022	2023	2022	2023	2022	2023	2022
	(%)	(%)						
United Palm Oil Industry Public Company Limited	30.04	30.04	478	463	60	100	44	49

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling interests

Summarised information about financial position

(Unit: Million Baht)

	As at 31 December	
	<u>2023</u>	<u>2022</u>
Current assets	588	571
Non-current assets	1,254	1,194
Current liabilities	177	123
Non-current liabilities	80	110

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December	
	<u>2023</u>	<u>2022</u>
Revenue	1,538	2,438
Profit	204	317
Total comprehensive income	199	317

Summarised information about cash flow

(Unit: Million Baht)

	For the years ended 31 December	
	<u>2023</u>	<u>2022</u>
Cash flow from operating activities	177	429
Cash flow used in investing activities	(43)	(53)
Cash flow used in financing activities	(115)	(309)
Net increase in cash and cash equivalents	19	67

12. Investment in joint venture

12.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
			(%)	(%)				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	Thailand	50	50	25,000	25,000	94,968	62,450
Total					25,000	25,000	94,968	62,450

12.2 Share of comprehensive income and dividend received

During the years, the subsidiary recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Share of profit		Share of other	
	from investment in	from investment in	comprehensive income from	comprehensive income from
	joint venture	joint venture	investment in joint venture	investment in joint venture
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Siam Elite Palm Co., Ltd.	62,547	35,880	(29)	-
Total	<u>62,547</u>	<u>35,880</u>	<u>(29)</u>	<u>-</u>

During the year ended 31 December 2023, the subsidiary received dividend from investment in the joint venture of Baht 30 million (2022: Nil).

12.3 Summarised financial information of material joint venture

Siam Elite Palm Company Limited

Summarised information about financial position

(Unit: Thousand Baht)

	As at 31 December	
	<u>2023</u>	<u>2022</u>
Current assets	209,493	207,890
Non-current assets	30,713	32,808
Total assets	<u>240,206</u>	<u>240,698</u>
Current liabilities	(48,548)	(114,335)
Non-current liabilities	(1,722)	(1,463)
Total liabilities	<u>(50,270)</u>	<u>(115,798)</u>
Net assets	189,936	124,900
Shareholding percentage (%)	50	50
Carrying amounts of joint venture based on equity method	<u>94,968</u>	<u>62,450</u>

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the years ended 31 December	
	<u>2023</u>	<u>2022</u>
Revenue	286,647	254,924
Cost of sales	(35,028)	(94,305)
Selling and administrative expenses	(95,505)	(73,586)
Income tax expenses	(31,020)	(15,274)
Profit for the year	125,094	71,759
Other comprehensive income	(58)	-
Total comprehensive income	125,036	71,759
Shareholding percentage (%)	50	50
Share of comprehensive income of investment in joint venture	62,518	35,880

13. Investment in associates

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			2023	2022	2023	2022
			Million Baht	Million Baht	Percent	Percent
Union Fresh Co., Ltd.	Dormant	Thailand	30	30	40	40

(Unit: Thousand Baht)

Company's name	Consolidated financial statements							
	Cost		Allowance for impairment loss of investment		Carrying amount based on cost method - net		Carrying amount based on equity method	
	2023	2022	2023	2022	2023	2022	2023	2022
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

14. Long-term loans to other companies

As at 31 December 2023, a subsidiary of subsidiary had unsecured loans to other companies, amounting to approximately Baht 15.6 million (2022: Baht 16.6 million). The loans carry interest at a rate of BIBOR plus 1% per annum (2022: THBFIX plus 1% per annum) and are due for repayment end of June and December of every year with the last payment in June 2040.

Movement in long-term loans to other companies during the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2023</u>	<u>2022</u>
Beginning balance	16,560	17,480
Receipts	(920)	(920)
Ending balance	<u>15,640</u>	<u>16,560</u>

15. Investment properties

The net book value of investment properties as at 31 December 2023 and 2022 is presented below.

	(Unit: Thousand Baht)					
	As at 31 December 2023					
	Consolidated financial statements			Separate financial statements		
	Land	Office building	Total	Land	Office building	Total
Cost	62,299	138,811	201,110	5,615	33,973	39,588
Less: Accumulated depreciation	-	(78,475)	(78,475)	-	(33,973)	(33,973)
Allowance for impairment	(2,112)	(58,755)	(60,867)	-	-	-
Net book value	<u>60,187</u>	<u>1,581</u>	<u>61,768</u>	<u>5,615</u>	<u>-</u>	<u>5,615</u>

	(Unit: Thousand Baht)					
	As at 31 December 2022					
	Consolidated financial statements			Separate financial statements		
	Land	Office building	Total	Land	Office building	Total
Cost	62,299	138,811	201,110	5,615	33,973	39,588
Less: Accumulated depreciation	-	(78,312)	(78,312)	-	(33,973)	(33,973)
Allowance for impairment	(2,112)	(58,755)	(60,867)	-	-	-
Net book value	<u>60,187</u>	<u>1,744</u>	<u>61,931</u>	<u>5,615</u>	<u>-</u>	<u>5,615</u>

A reconciliation of the net book value of investment properties for the years 2023 and 2022 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	61,931	61,020	5,615	5,615
Reversal of impairment losses	-	1,191	-	-
Depreciation for the year	(163)	(280)	-	-
Net book value at end of year	<u>61,768</u>	<u>61,931</u>	<u>5,615</u>	<u>5,615</u>

The fair value of land and office building of the Company as at 31 December 2023 was determined at approximately Baht 26 million (2022: Baht 30 million) using the income approach.

The fair value of land and building of the subsidiary was determined based on valuation performed by an independent professional valuer. As at 31 December 2023, the fair value of the land was determined to be Baht 146 million on the basis of market approach, while that of the building was determined to be Baht 51 million using the replacement cost approach. The fair value of the building was not determined based on the income approach because it is not used for rental (2022: Baht 146 million and Baht 51 million, respectively).

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land and land ownership document and land improvement	Land possessory rights	Building and building improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	
Cost								
1 January 2022	879,231	2,051	1,291,263	3,443,213	174,039	208,543	103,431	6,101,771
Additions	-	64	10,035	53,802	5,900	9,087	236,667	315,555
Capitalised interest	-	-	5	19	1	-	137	162
Disposals/write off	(1,270)	-	(14,657)	(24,151)	(3,934)	(11,896)	-	(55,908)
Transfer in (transfer out)	-	-	12,161	172,939	614	-	(185,714)	-
31 December 2022	877,961	2,115	1,298,807	3,645,822	176,620	205,734	154,521	6,361,580
Additions	191	-	20,520	84,639	7,107	29,650	140,423	282,530
Capitalised interest	-	-	86	321	-	-	303	710
Disposals/write off	-	-	(901)	(64,023)	(8,574)	(14,283)	-	(87,781)
Transfer in (transfer out)	-	-	31,979	119,623	316	-	(151,918)	-
31 December 2023	878,152	2,115	1,350,491	3,786,382	175,469	221,101	143,329	6,557,039

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land ownership document and land improvement	Land possessory rights	Building and building improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated depreciation								
1 January 2022	-	-	897,205	2,400,441	120,734	184,096	-	3,602,476
Depreciation for the year	-	-	50,590	161,248	9,100	9,049	-	229,987
Depreciation on disposals/write off	-	-	(12,952)	(24,141)	(3,811)	(11,896)	-	(52,800)
31 December 2022	-	-	934,843	2,537,548	126,023	181,249	-	3,779,663
Depreciation for the year	-	-	52,748	178,336	9,305	8,702	-	249,091
Depreciation on disposals/write off	-	-	(688)	(61,653)	(8,518)	(13,746)	-	(84,605)
31 December 2023	-	-	986,903	2,654,231	126,810	176,205	-	3,944,149
Allowance for impairment								
1 January 2022	23,669	-	-	61,947	152	37	-	85,805
Decrease during the year	(15,515)	-	-	-	-	-	-	(15,515)
31 December 2022	8,154	-	-	61,947	152	37	-	70,290
Increase (decrease) during the year	(15)	-	-	-	-	-	4,200	4,185
31 December 2023	8,139	-	-	61,947	152	37	4,200	74,475
Net book value								
31 December 2022	869,807	2,115	363,964	1,046,327	50,445	24,448	154,521	2,511,627
31 December 2023	870,013	2,115	363,588	1,070,204	48,507	44,859	139,129	2,538,415
Depreciation for the year								
2022 (Baht 214.6 million included in manufacturing cost, and the balance in administrative expenses)								229,987
2023 (Baht 234.2 million included in manufacturing cost, and the balance in administrative expenses)								249,091

(Unit: Thousand Baht)

Separate financial statements

	Land	Building and improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost							
1 January 2022	25,836	461,456	1,663,178	88,352	47,727	99,045	2,385,594
Additions	-	1,052	30,181	2,172	-	167,159	200,564
Disposals/write off	-	-	(6,431)	(2,204)	(7,039)	-	(15,674)
Transfer in (transfer out)	-	10,950	131,531	480	-	(142,961)	-
31 December 2022	25,836	473,458	1,818,459	88,800	40,688	123,243	2,570,484
Additions	-	1,294	34,430	2,997	1,095	108,081	147,897
Capitalised interest	-	-	-	-	-	98	98
Disposals/write off	-	-	(8,476)	(1,632)	(4,070)	-	(14,178)
Transfer in (transfer out)	-	27,766	82,510	316	-	(110,592)	-
31 December 2023	25,836	502,518	1,926,923	90,481	37,713	120,830	2,704,301

(Unit: Thousand Baht)

Separate financial statements

	Land	Building and building improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated depreciation							
1 January 2022	-	300,899	1,137,539	43,833	40,046	-	1,522,317
Depreciation for the year	-	17,321	91,882	6,221	3,218	-	118,642
Depreciation on disposals/write off	-	-	(6,422)	(2,081)	(7,039)	-	(15,542)
31 December 2022	-	318,220	1,222,999	47,973	36,225	-	1,625,417
Depreciation for the year	-	20,876	105,615	6,537	2,461	-	135,489
Depreciation on disposals/write off	-	-	(7,750)	(1,577)	(3,754)	-	(13,081)
31 December 2023	-	339,096	1,320,864	52,933	34,932	-	1,747,825
Allowance for impairment							
31 December 2022	-	-	30	-	-	-	30
31 December 2023	-	-	30	-	-	-	30
Net book value							
31 December 2022	25,836	155,238	595,430	40,827	4,463	123,243	945,037
31 December 2023	25,836	163,422	606,029	37,548	2,781	120,830	956,446
Depreciation for the year							
2022 (Baht 105.8 million included in manufacturing cost, and the balance in administrative expenses)							118,642
2023 (Baht 123.6 million included in manufacturing cost, and the balance in administrative expenses)							135,489

During the year 2023, the Group capitalised borrowing costs amounting to Baht 0.61 million (2022: Baht 0.16 million) (the Company only: Baht 0.01 million 2022: Nil)

The borrowing cost of the Company was determined based on the borrowing cost of the specific purposes, at an interest rate of 3.55% - 3.99% per annum. The borrowing costs of the subsidiary were determined based on the borrowing costs of the general loans, and the weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 1.78% - 3% per annum (2022: 0.71% - 1.78% per annum).

As at 31 December 2023, certain plant and equipment items of the Group had been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,536 million (2022: Baht 2,622 million) and for the Company amounted to approximately Baht 941 million (2022: Baht 930 million).

17. Bearer plants

	Consolidated financial statements			Separate financial statements
	Bearer plants ready for harvest	Bearer plants not ready for harvest	Total	Bearer plants ready for harvest
				(Unit: Thousand Baht)
Cost				
1 January 2022	617,216	14,640	631,856	294
Additions	-	5,924	5,924	-
Write off	(6,923)	-	(6,923)	-
Transfer in (out)	5,050	(5,050)	-	-
31 December 2022	615,343	15,514	630,857	294
Additions	-	4,903	4,903	-
Write off	(175)	-	(175)	-
Transfer in (out)	2,944	(2,944)	-	-
31 December 2023	618,112	17,473	635,585	294
Accumulated amortisation				
1 January 2022	419,458	-	419,458	140
Amortisation for the year	10,422	-	10,422	12
Amortisation on write off	(4,067)	-	(4,067)	-
31 December 2022	425,813	-	425,813	152
Amortisation for the year	10,669	-	10,669	12
Amortisation on write off	(159)	-	(159)	-
31 December 2023	436,323	-	436,323	164
Allowance for impairment				
31 December 2022	32,951	-	32,951	-
Decrease during the year	(35)	-	(35)	-
31 December 2023	32,916	-	32,916	-
Net book value				
31 December 2022	156,579	15,514	172,093	142
31 December 2023	148,873	17,473	166,346	130
Amortisation for the year (included in manufacturing cost)				
2022			10,422	12
2023			10,669	12

As at 31 December 2023, the land used by the subsidiary for palm oil plantation includes 13,461 rai for which there are land title deeds or other land ownership documents (Nor Sor 3 Kor and Nor Sor 3). For the remaining, land possessory rights have been transferred to the subsidiary and it is in the process of acquiring legal documentation of ownership.

A permit from Royal Forest Department granted to a subsidiary of subsidiary for the exploitation or inhabitation in the National Reserved Forests expired in January 2015. The subsidiary of subsidiary has leased the land of 13,030 rai to the subsidiary for utilisation. The subsidiary of subsidiary is requesting the government unit to grant a permit to exploit or inhabit in such land of 6,515 rai, which is 50% of the usable land and the request is under consideration of such government unit. However, on 10 May 2023, that subsidiary of subsidiary was granted a permit to harvest forest product in the Nation Reserved Forest. The existing permit is valid for 1 year, expired on 9 May 2024 and the subsidiary of subsidiary is required to pay official royalty fees at the rate of 10% of the market price of oil palm and forest maintenance fees, at a rate of double the official royalty fees, when harvesting the oil palm crops planted.

18. Goodwill

The Company allocated goodwill acquired through business combinations with indefinite useful lives to the cash generating units (CGUs) for annual impairment testing as follows:

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2023			
	United Palm Oil Industry Public Company Limited	Universal Food Public Company Limited	Total
Goodwill	84,585	111,791	196,376

The Company has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management covering a 5-year period for Universal Food Public Company Limited.

Key assumptions used in value in use calculation are summarised below.

	(Unit: Percent per annum)
	Universal Food Public Company Limited
	<u>2023</u>
Long-term growth rate	2
Pre-tax discount rates	10

The management determined growth rates based on historical operating results, expected market growth in the industry and the pre-tax discount rate that reflects the risks specific to each CGU.

The Company has determined the recoverable amounts of its cash-generating unit based on fair value less costs to sell using market approach to measure fair value for United Palm Oil Industry Public Company Limited. The fair value hierarchy level was classified as a level 1.

The management believes that there is no impairment loss for goodwill with indefinite useful lives.

19. Intangible assets

The net book value of intangible assets, which represent computer software, as at 31 December 2023 and 2022 is presented below.

	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cost	72,066	71,220	34,471	33,860
Less: Accumulated amortisation	(65,967)	(64,599)	(28,828)	(27,701)
Less: Allowance for impairment	(393)	(393)	(393)	(393)
Net book value	<u>5,706</u>	<u>6,228</u>	<u>5,250</u>	<u>5,766</u>

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 is presented below.

	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	6,228	6,214	5,766	5,173
Acquisitions - cost	866	1,904	631	1,712
Amortisation for the year	(1,388)	(1,890)	(1,147)	(1,119)
Net book value at end of year	<u>5,706</u>	<u>6,228</u>	<u>5,250</u>	<u>5,766</u>

As at 31 December 2023, certain items of computer software were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 61 million (2022: Baht 58 million) (the Company only: Baht 24 million, 2022: Baht 21 million).

20. Short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2023	2022	2023	2022	2023	2022
Short-term loans from banks	2.70 - 3.15	1.70 - 1.90	519,000	901,000	319,000	711,000
Total			519,000	901,000	319,000	711,000

Movement in short-term loans from banks during the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning balance	901,000	526,000	711,000	231,000
Additional borrowings	5,458,000	6,653,000	5,138,000	5,623,000
Repayments	(5,840,000)	(6,278,000)	(5,530,000)	(5,143,000)
Ending balance	519,000	901,000	319,000	711,000

The short-term loans from banks of the Group are unsecured loans.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade payables - related parties	-	28	114,804	76,025
Trade payables - unrelated parties	382,818	296,939	282,543	187,129
Other payables - related parties	14,094	24,663	-	-
Other payables - unrelated parties	123,347	89,528	80,156	66,616
Advance received from related parties	-	-	146	145
Other payables for purchases of machinery	21,924	29,802	11,545	11,282
Accrued expenses	214,350	174,846	117,404	105,533
Total trade and other payables	756,533	615,806	606,598	446,730

22. Long-term loans

			(Unit: Thousand Baht)	
Loans	Interest rate (Percent per annum)	Repayment schedule	Consolidated financial statements	
			2023	2022
The Company				
1	1 - 3 Months BIBOR + 1.5	Repayment 12 quarterly installments, starting September 2025	5,000	-
Subsidiary				
<u>United Palm Oil Industry Public Company Limited</u>				
1	3 Months BIBOR + 1.5	Repayment 12 quarterly installments, starting July 2021	-	25,000
2	3 Months BIBOR + 1.5	Repayment 12 quarterly installments, starting March 2022	-	33,333
Total long-term loans			5,000	58,333
Less: Current portion			-	(31,667)
Long-term loans - net of current portion			5,000	26,666

			(Unit: Thousand Baht)	
Loans	Interest rate (Percent per annum)	Repayment schedule	Separate financial statements	
			2023	2022
1	1 - 3 Months BIBOR + 1.5	Repayment 12 quarterly installments, starting September 2025	5,000	-
Total long-term loans			5,000	-
Less: Current portion			-	-
Long-term loans - net of current portion			5,000	-

Movement of the long-term loan account during the years ended 31 December 2023 and 2022 are summarised below:

			(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements		
Beginning balance	58,333	-		
Additional borrowings	5,000	5,000		
Repayments	(58,333)	-		
Ending balance	5,000	5,000		

Long-term loan of United Palm Oil Industry Public Company Limited no.1 is long-term loan under a joint loan agreement between the Company and United Palm Oil Industry Public Company Limited and the bank. On 16 December 2022, the Company and such subsidiary made an amendment to the agreement regarding the cancellation of a joint loan condition with the bank. Under covenants of the agreement, the subsidiary are restricted from creating encumbrances over their assets (negative pledge). Loan no.2 is unsecured. On 18 April 2023, the subsidiary repaid the entire amount of the undue portion of long-term loan before the term specified in the contract.

On 21 April 2023, the Company entered into long-term loan agreement with a bank for the purpose of investing in machineries and upgrade facilities of existing plant.

The loan agreement contains covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

23. Leases

The Group as a lessee

The Group has lease contracts for land, machinery and factory equipment and motor vehicles used in its operations. Lease contract for assets of each company is not allowed to be subleased and transferred to others unless a prior written consent of the lessor has been obtained.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Land	Machinery and equipment	Motor vehicles	Total	Motor vehicles	Total
1 January 2022	34,982	-	-	34,982	-	-
Additions	520	14,985	3,431	18,936	3,431	3,431
Depreciation for the year	(1,576)	(2,461)	(196)	(4,233)	(196)	(196)
31 December 2022	33,926	12,524	3,235	49,685	3,235	3,235
Additions	-	13,680	3,386	17,066	3,386	3,386
Depreciation for the year	(1,575)	(8,273)	(884)	(10,732)	(884)	(884)
31 December 2023	32,351	17,931	5,737	56,019	5,737	5,737

The subsidiary of subsidiary entered into a lease agreement with the Treasury Department for an area of 4,294 rai, end of contract on 8 July 2044. The leasehold right has been used to secure a credit facility of Baht 30 million and the subsidiary of subsidiary is required to comply with prescribed terms and conditions.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease payments	97,995	89,809	9,878	5,045
Less: Deferred interest expenses	(30,408)	(30,325)	(3,719)	(1,711)
Total	67,587	59,484	6,159	3,334
Less: Portion due within one year	(9,943)	(4,535)	(976)	(480)
Lease liabilities - net of current portion	<u>57,644</u>	<u>54,949</u>	<u>5,183</u>	<u>2,854</u>

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year	59,484	42,992	3,334	-
Additions	17,066	18,936	3,386	3,431
Accretion of interest	3,798	541	798	138
Repayments	(12,761)	(2,985)	(1,359)	(235)
Balance at end of year	<u>67,587</u>	<u>59,484</u>	<u>6,159</u>	<u>3,334</u>

A maturity analysis of lease payments is disclosed in Note 38.2 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	10,732	4,233	884	196
Interest expense on lease liabilities	3,798	541	798	138
Expense relating to short-term leases	14,266	20,360	360	360
Expense relating to leases of low-value assets	272	451	-	-
Expense relating to variable lease payments that do not depend on an index or a rate	7,385	7,344	-	-

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 34.7 million (2022: Baht 31.1 million) (the Company only: Baht 1.7 million, 2022: Baht 0.6 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 35.2.

24. Provision for long-term employee benefits

Provision for long-term employee benefits was presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements						
	2023				2022		
	Termination benefits	Employee retirement benefit under labor law	Other long-term employee benefits	Total	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Provision for long-term employee benefits at beginning of year	-	193,387	1,975	195,362	198,966	2,486	201,452
Included in profit or loss:							
Current service cost	-	13,768	175	13,943	14,352	182	14,534
Interest cost	-	4,084	34	4,118	3,860	47	3,907
Termination benefits	2,457	-	-	2,457	-	-	-
Gain or loss on settlement	-	(2,505)	-	(2,505)	-	-	-
Actuarial (gain) loss arising from							
Demographic assumptions changes	-	-	225	225	-	-	-
Financial assumptions changes	-	-	(86)	(86)	-	-	-
Experience adjustments	-	-	908	908	-	-	-
Included in other comprehensive income:							
Actuarial (gain) loss arising from							
Demographic assumptions changes	-	1,610	-	1,610	(7,964)	-	(7,964)
Financial assumptions changes	-	(5,841)	-	(5,841)	(3,017)	-	(3,017)
Experience adjustments	-	17,284	-	17,284	3,082	-	3,082
Benefits paid during the year	(566)	(21,860)	(425)	(22,851)	(15,892)	(740)	(16,632)
Provision for long-term employee benefits at end of year	1,891	199,927	2,806	204,624	193,387	1,975	195,362

(Unit: Thousand Baht)

	Separate financial statements					
	2023			2022		
	Employee retirement benefit under labor law	Other long-term employee benefits	Total	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Provision for long-term employee benefits at beginning of year	99,915	1,975	101,890	100,822	2,486	103,308
Included in profit or loss:						
Current service cost	6,827	175	7,002	7,110	182	7,292
Interest cost	1,901	34	1,935	1,916	47	1,963
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	225	225	-	-	-
Financial assumptions changes	-	(86)	(86)	-	-	-
Experience adjustments	-	908	908	-	-	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	1,610	-	1,610	-	-	-
Financial assumptions changes	(5,660)	-	(5,660)	-	-	-
Experience adjustments	11,361	-	11,361	-	-	-
Benefits paid during the year	(10,585)	(425)	(11,010)	(9,933)	(740)	(10,673)
Provision for long-term employee benefits at end of year	105,369	2,806	108,175	99,915	1,975	101,890

The subsidiary had obligations in respect of compensation payables to employees who voluntarily participated in the early retirement schemes. The subsidiary considered these compensations as termination benefits and recorded additional compensations to employees as expenses. During the current year, the subsidiary recognised compensations of termination benefits for the early retirement schemes of Baht 2 million as expenses in profit or loss in the statements of comprehensive income (2022: Baht 0.3 million).

The Group expects to pay Baht 38.1 million of long-term employee benefits during the next year (Separate financial statements: Baht 26.4 million) (2022: Baht 18.7 million, separate financial statements: Baht 9.7 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefits is 3, 6, 8, 12 and 13 years (Separate financial statements: 6 and 8 years) (2022: 7, 10, 12 and 13 years, separate financial statements: 7 years).

Significant actuarial assumptions used for the valuation are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.22, 2.29, 2.60, 2.70 and 2.92	1.10, 2.22, 2.29 and 1.90	2.70 and 2.92	1.90
Salary increase rate	2.0 and 5.0	2.0, 4.0 and 5.0	5.0	5.0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below.

(Unit: Million Baht)

	As at 31 December 2023			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(6.21)	6.62	(2.79)	2.91
Salary increase rate	7.31	(6.88)	2.99	(2.70)

(Unit: Million Baht)

As at 31 December 2022

	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(6.74)	7.73	(2.84)	3.62
Salary increase rate	7.45	(6.67)	3.37	(2.82)

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve is fully set aside by the Company.

Statutory reserve of the subsidiaries in the consolidated financial statements are presented in proportion to the Company's interest.

26. Revenue from contracts with customers

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Type of goods:				
Sales of goods	10,777,684	11,492,742	7,620,478	8,744,457
Revenue from distribution of goods	-	-	58,103	53,038
Total revenue from contracts with customers - revenue recognised at point in time	<u>10,777,684</u>	<u>11,492,742</u>	<u>7,678,581</u>	<u>8,797,495</u>

27. Finance cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest expenses on borrowings	16,669	14,431	11,523	9,609
Interest expenses on lease liabilities	3,798	541	798	138
Total	<u>20,467</u>	<u>14,972</u>	<u>12,321</u>	<u>9,747</u>

28. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Raw materials and consumables used	6,771,389	7,243,297	5,636,866	7,728,407
Changes in inventories of finished goods and work in process	(179,979)	(508,402)	169,807	(465,383)
Salary and wages and other employee benefits	790,601	735,448	341,482	306,337
Depreciation and amortisation	272,042	248,020	137,532	119,970
Promotion expenses and distribution fee	80,058	74,029	63,695	58,439
Rental and services expenses	39,289	32,666	15,672	9,302
Transportation expenses	195,919	162,129	158,608	123,199
Repair and maintenance expenses	95,503	81,723	48,195	40,658

29. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge	126,058	128,633	49,876	22,477
Adjustment of prior year corporate income tax	456	631	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,256)	(3,464)	180	264
Income tax expenses reported profit or loss	<u>125,258</u>	<u>125,800</u>	<u>50,056</u>	<u>22,741</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax relating to actuarial gain (loss)	(2,611)	1,580	(1,462)	-
Income tax charged directly to other comprehensive income	<u>(2,611)</u>	<u>1,580</u>	<u>(1,462)</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit before tax	<u>701,784</u>	<u>660,023</u>	<u>403,339</u>	<u>288,507</u>
Applicable tax rate	0%, 15% and 20%	0%, 15% and 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	140,226	131,816	80,668	57,701
Adjustment of prior year corporate income tax	456	631	-	-
Write-down of deferred tax assets	-	2,400	-	-
Effects of:				
Promotional privileges (Note 30)	(1,509)	(857)	-	-
Share of profit from investment in joint venture	(12,509)	(7,176)	-	-
Non-deductible expenses	5,577	4,872	492	450
Additional expense deductions allowed	(6,969)	(6,500)	(30,979)	(35,398)
Tax loss for the year unrecognised as deferred tax assets	143	365	-	-
Others	(157)	249	(125)	(12)
Total	<u>(15,424)</u>	<u>(9,047)</u>	<u>(30,612)</u>	<u>(34,960)</u>
Income tax expenses reported in the profit or loss	<u>125,258</u>	<u>125,800</u>	<u>50,056</u>	<u>22,741</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for expected credit losses	1,512	2,089	1,512	2,089
Allowance for diminution in inventory value	2,352	4,738	451	-
Allowance for impairment of assets	9,137	8,306	85	85
Provision for long-term employee benefits	40,925	39,030	21,635	20,335
Loss on fair value of derivatives	44	-	44	-
Leases	2,322	1,938	85	21
Unrealised profit on inventories purchased from subsidiary	578	-	-	-
Total	56,870	56,101	23,812	22,530
Deferred tax liabilities				
Change in fair value of biological assets and the differences between fair value and cost of agricultural produce	35,039	38,069	-	-
Unrealised loss on inventories purchased from subsidiary	-	22	-	-
Revenue recognition under finance leases	99	144	-	-
Total	35,138	38,235	-	-
Total deferred tax assets - net	21,732	17,866	23,812	22,530

Deferred tax assets and liabilities as presented in the statements of financial position as at 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax assets	43,227	40,707	23,812	22,530
Deferred tax liabilities	(21,495)	(22,841)	-	-
Total deferred tax assets - net	21,732	17,866	23,812	22,530

As at 31 December 2023, the subsidiary of subsidiary had deductible temporary differences and unused tax losses totaling Baht 128 million (2022: Baht 129 million), on which deferred tax assets have not been recognised as such subsidiary believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of such subsidiary amounting to Baht 7 million will gradually expire by 2028.

30. Promotional privileges

The Group has received promotional privileges from the Board of Investment for various operations subjected to certain imposed conditions. Details are as follows:

The Company

<u>Certificate No.</u>	<u>Operation</u>	<u>Principal privileges</u>
63-0430-1-00-1-0	Manufacture of margarine	Exemption from corporate income tax on income from the promoted operations for a period of six years from the date of first earning operating income (16 July 2022).
66-0703-1-00-1-0	Generate electricity from biogases	Exemption from corporate income tax on income from the promoted operations for a period of six years from the date of first earning operating income (15 November 2023).

Subsidiary - United Palm Oil Industry Public Company Limited

<u>Certificate No.</u>	<u>Operation</u>	<u>Principal privileges</u>
65-0092-1-00-1-0	Generate electricity from biogases	Exemption from corporate income tax on income from the promoted operations for a period of eight years from the date of first earning operating income (27 September 2022).
66-1162-1-05-1-0	Generate electricity from biomass	Exemption from corporate income tax at a rate of 50% on income from the promoted operations for a period of three years from the date of first earning after receiving a promotional certificate (20 September 2023).

Revenues, divided between promoted and non-promoted operations, of the Company for the years 2023 and 2022 were as follows:

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Sales income						
Domestic sales						
income	65,344	9,203	7,555,134	8,735,254	7,620,478	8,744,457
Export sales	-	-	58,103	53,038	58,103	53,038
Total sales and services	<u>65,344</u>	<u>9,203</u>	<u>7,613,237</u>	<u>8,788,292</u>	<u>7,678,581</u>	<u>8,797,495</u>

31. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit attributable to equity holders of the Company (Thousand Baht)	514,270	432,425	353,283	265,766
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht/share)	0.63	0.53	0.43	0.32

32. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows:

- (1) The manufacture and distribution of palm oil segment, which includes the generation of electricity from biogases and biomass, the by-products from palm oil manufacturing.
- (2) The manufacture and distribution of processed fruits and vegetables segment

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenues and profit information regarding the Group's operating segments for the years ended 31 December 2023 and 2022.

(Unit: Million Baht)

	Segment						Elimination of		Consolidated	
	Palm oil		Processed fruits and vegetables		Total		inter-segment transactions			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues from external customers	8,027	9,060	2,750	2,433	10,778	11,493	-	-	10,778	11,493
Intersegment revenues	647	1,533	2	-	649	-	(649)	(1,533)	-	-
Interest expenses	(17)	(13)	(3)	(2)	(20)	(15)	-	-	(20)	(15)
Depreciation and amortisation	(185)	(163)	(89)	(86)	(274)	(249)	2	2	(272)	(247)
Income tax expenses	(83)	(93)	(43)	(29)	(126)	(122)	1	(3)	(125)	(125)
Segment profit	993	721	417	433	1,410	1,154	(3)	17	1,407	1,171

Transfer prices between business segments are as set out in Note 6 to the financial statements.

Geographic information

During the year 2023, the Group's sales represent domestic sales of 94 percent (2022: 83 percent) and export sales of 6 percent (2022: 17 percent).

Major customers

For the years 2023 and 2022, the Group has no major external customer with revenue of 10 percent or more of an entity's revenues.

33. Provident fund

The Group and its employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group and its employees contribute to the fund monthly at the rates of 2 - 5 percent of basic salary. The Company's fund, which is managed by Kasikorn Asset Management Company Limited, and the subsidiaries' funds, which are managed by Kasikorn Asset Management Company Limited and SCB Assets Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

During 2023, the contributions of the Group amounting to Baht 14.3 million (2022: Baht 14.3 million), of which Baht 7.1 million (2022: Baht 7.1 million) is from the Company, were recognised as expenses.

34. Dividends

During the years ended 31 December 2023 and 2022, the Group had dividend payments as follows:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
<u>The Company</u>			
<u>For the year 2023</u>			
Final dividend for 2022	Annual General Meeting of the shareholders on 7 April 2023	155.80	0.19
Total dividend for the year 2023		155.80	0.19
<u>For the year 2022</u>			
Final dividend for 2021	Annual General Meeting of the shareholders on 8 April 2022	205.00	0.25
Total dividend for the year 2022		205.00	0.25

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>Subsidiaries</u>			
<u>For the year 2023</u>			
Final dividend for 2022	Annual General Meeting of the shareholders of United Palm Oil Industry Public Company Limited on 7 April 2023	146.00	0.45
Total dividend for the year 2023		146.00	0.45
Interim dividend for 2023	Board of Directors' Meeting of Universal Food Public Company Limited on 9 November 2023	52.50	1.00
Total dividends for the year 2023		52.50	1.00
<u>For the year 2022</u>			
Final dividend for 2021	Annual General Meeting of the shareholders of United Palm Oil Industry Public Company Limited on 8 April 2022	162.00	0.50
Total dividend for the year 2022		162.00	0.50
Final dividend for 2021	Annual General Meeting of the shareholders of Universal Food Public Company Limited on 7 April 2022	21.00	0.40
Interim dividend for 2022	Board of Directors' Meeting of Universal Food Public Company Limited on 10 November 2022	42.00	0.80
Total dividends for the year 2022		63.00	1.20

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2023, the Group had capital commitments relating to construction of buildings, building improvement and purchase of machineries and equipment amounting to Baht 350.6 million and Euro 3.7 million or approximately Baht 140.9 million totalling of Baht 491.5 million (2022: Baht 44.4 million and Euro 4.8 million or approximately Baht 178.3 million totalling of Baht 222.7 million), the Company only: Baht 272.9 million and Euro 3.7 million or approximately Baht 140.9 million totalling of Baht 413.8 million (2022: Baht 9.9 million and Euro 4.8 million or approximately Baht 178.3 million totalling of Baht 188.2 million).

35.2 Operating lease commitments

The Group has entered into short-term leases, several leases of the low-value assets and service agreements which are non-cancellable. The terms of the contract are generally between 1 year and 5 years.

Future minimum lease payments required under these non-cancellable contracts were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Within 1 year	8.8	7.7	5.1	4.2
Over 1 and up to 5 years	1.2	2.2	1.2	2.2
Total	<u>10.0</u>	<u>9.9</u>	<u>6.3</u>	<u>6.4</u>

35.3 Long-term commitments

In 2020, the subsidiary entered into a power purchase and sale agreement with a private company for contractual terms of 15 years from the commencement date. The private company invested in construction and installation of electricity generation systems and retains ownership of all related properties. The electricity charges are calculated based on rates as specified in the agreement. However, the subsidiary has the right to purchase the electricity generation systems from the 7th year onwards at rates specified in the agreement, or at Baht 1 when the subsidiary has fulfilled the contractual terms of 15 years. Since then, the ownership of all electricity generation systems will be automatically transferred to the subsidiary.

During the current year, the subsidiary had paid electricity charges of Baht 7.8 million. (2022: Baht 6.4 million).

35.4 Guarantees

Other than those disclosed in Note 35.5, as at 31 December 2023, there were outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performances bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 14.6 million to guarantee electricity use, among others (2022: Baht 12.3 million) and for the Company: Baht 6.5 million to guarantee electricity use, among others (2022: Baht 4.3 million).

35.5 Contingent liabilities

In 2020, the Company was notified of import duty and VAT assessment by the Customs Department requiring the Company to pay import duty, VAT, penalties and surcharges totalling Baht 189.5 million regarding the import of refined, bleached, and deodorized soybean oil exercising duty exemption and customs tariff reduction privileges for goods originated in ASEAN. On 15 September 2020, the Company submitted an appeal against the duty assessment to Customs Tariff Appeal Section. On 17 September 2020, Post-Clearance Audit Division received the Company's respite of duty payment by applying the self-guarantee, according to the respite request dated 16 September 2020. On 6 October 2020, the Customs Department approved the respite of duty payment to the earlier of 9 years of the import entry and the date of obtaining appeal result.

On 22 September 2020, the Company filed a request for deferral of VAT payments with the Revenue Department. In addition, the Company had bank guarantee issued by the bank amounting to Baht 23.9 million in respect of the obligation to the Revenue Department regarding the payments of VAT for the period during October 2016 to December 2016 and May 2017 to June 2017 including penalties and surcharges.

The decision on such matter is currently under consideration of the Customs Department. However, the management of the Company believes that possibility of the unfavorable result of such matter is remote. Therefore, the Company has not recorded provisions in the financial statements.

35.6 Land exploit right

(1) On 21 July 2020, the ALRO issued a notice designating land plots No.603 in Krabi Noi Sub-district, Muang District and Huayyoong Sub-district, Nueaklong District, Krabi, covering a total area of 3,617 rai, as a targeted area for land reform and bringing a legal action against any illegal encroachment. Owners of the selected areas were required to submit a petition with evidence and documents regarding land rights under the Land Code or other applicable laws within 15 days from 19 August 2020, the date that the notice was announced at the ALRO in Krabi. On 3 September 2020, the subsidiary as a landowner submitted a petition with evidence and documents regarding land rights over the designated land plots.

In 2020 and 2021, the subsidiary brought a legal action regarding rights over the land plots.

On 10 March 2022, the ALRO in Krabi submitted an additional statement to overcome the Subsidiary's objection. On 29 June 2022, the Supreme Administrative Court upheld the Administrative Court of First Instance's judgement not accepting a lawsuit concerning the revocation of the notice of ALRO on designating a targeted area for land reform because the subsidiary filed the lawsuit after the end of the filing period. However, the Supreme Administrative Court accepted a lawsuit concerning the revocation of the order on vacating the land plots and removing all constructions in the targeted area. The Supreme Administrative Court is currently reviewing this case.

The subsidiary set aside an allowance for impairment loss on the cost of land and net book value of the cost of oil palm plantation development amounting to Baht 13 million as expenses in the 2021 financial statements.

- (2) On 4 June 2021, the ALRO has announced that land plots No.604 in Khao Phanom Sub-district and Phru Tiao Sub-district, Khao Phanom District, Krabi, covering a total area of 4,200 rai. is a prospective area for land reform which is not incorporated in a land reform program. A landowner is required to provide evidence and documentation regarding land rights under the Land Code or other applicable laws within 15 days from the date the announced was posted at the ALRO in Krabi.

In 2021, the subsidiary produced possession documentation with the ALRO in Krabi regarding rights over the land plots.

On 6 December 2022, the subsidiary received a letter from the ALRO in Krabi, informing of evaluation results, which evidence relating to possession of such prospective area was unjustifiable. Subsequently, on 16 December 2022, the subsidiary lodged an objection.

On 29 December 2022, the ALRO in Krabi sent a letter informing that the ALRO's judgement was final and conclusive. If the subsidiary objected to the judgement, the subsidiary could file a lawsuit with the Phuket Administrative Court.

On 24 March 2023, the subsidiary filed a lawsuit against the ALRO in Krabi and the ALRO with the Phuket Administrative court, seeking to revoke the notice of the ALRO on designating a targeted area for land reform obligating illegal occupiers to present land title deeds.

On 15 August 2023, the Phuket Administrative Court ruled not to consider certain complaints, specifically a petition for the revocation of the notice of the LARO on designating a targeted area for land reform obligating illegal occupiers to present land title deeds since the lawsuit had been filed beyond the prescribed period for legal action. However, the court accepted a petition for the revocation of a letter from the ALRO in Krabi, Kor Bor 0011/2102, dated 23 December 2022, informing of its judgement.

However, the subsidiary set aside an allowance for impairment loss on the cost of land and net book value of the cost of oil palm plantation development amounting to Baht 27 million as expenses in the 2018 financial statements and wrote off the net book value of the cost of building and equipment by Baht 2 million in the 2022 financial statements.

35.7 Litigation

- (1) On 6 July 2020, the subsidiary was served with a summons in a criminal action involving alleged trespass, which the ALRO in Krabi had made an allegation against the subsidiary. Krabi chief public prosecutor issued a letter requiring inquiry officers to follow up on and pursue the case against the subsidiary. On 20 August 2020, the subsidiary turned themselves in to the authorities and acknowledged the allegation. On 18 September 2020, the subsidiary submitted a written testimony to inquiry officers.

On 9 September 2021, Krabi chief public prosecutor filed a lawsuit against the subsidiary with the Court, alleging that the subsidiary utilised the land of 3,978-2-24 rai in the land reform area for oil palm plantation in violation of Section 9,108 Bis of the Land Code B.E. 2497, Revolutionary Council Announcement No. 96 dated 29 February 1972, and Section 83 of the Criminal Code. The prosecutor requested the Court to give an eviction order to the subsidiary.

On 18 April 2023, the case reached its conclusion by the Court dismissed the case.

- (2) The subsidiary faced a legal action brought by a group of villagers who claimed to be farmers and filed a petition to the Central Administrative Court, seeking its judicial consideration to order the Land Department to revoke the subsidiary's land title deeds of 13 plots, covering a total area of 82 rai, and 10 plots under Nor Sor 3 Kor certificates, covering a total area of 325 rai, in Bang Sawan Sub-district, Phra Saeng District, Surat Thani. The villagers alleged that land officers had issued the documentation in an unethical manner.

On 19 March 2021, the Central Administrative Court rendered judgement that the Director-General of Surat Thani Land Office and land officers Surat Thani Province, Phra Saeng Branch, shall perform duties in accordance with Section 61 of the Land Code to revoke or amend the subsidiary's land title deeds of 13 plots and 10 plots under Nor Sor 3 Kor certificates to make them legal and the Director-General of the Forest Department to conduct relevant actions under his authority to evict the subsidiary from the disputed land within 180 days from the date of the case is finalised.

On 16 April 2021, the subsidiary appealed the judgement to the Supreme Administrative Court. The management believes that the subsidiary can appeal the judgement with the available evidence.

- (3) On 25 November 2022, the Land Department issued a letter ordering the revocation of the subsidiary's land title deeds 10 plots in Bang Sawan Sub-district, Phra Saeng District, Surat Thani. These title deeds were issued following a project of surveying land title deeds in 2006 by reference to Nor Sor 3 Kor certificates on the exact location as issued in a project of surveying Nor Sor 3 Kor certificates in 1981, which were issued in an illegitimate manner.

On 9 December 2022, the subsidiary appealed against the revocation order and filed a lawsuit with the Central Administrative Court on 1 February 2023.

On 22 March 2023, the Land Department issued a letter informing the subsidiary that their appeal was unjustifiable. On 30 March 2023, the Office of the Central Administrative Court provided the subsidiary with a copy of the Land Department's letter of clarification.

On 12 May 2023, the Central Administrative Court dismissed the lawsuit because it had been filed before the accused had exhausted all available legal remedies for redress of trouble or damage, as required by law. Nevertheless, the subsidiary decided to file a new lawsuit on 26 May 2023, which is currently under consideration of the Central Administrative Court.

However, if the subsidiary loses land plots, the cost of land and net book value of the cost of oil palm plantation developments will be decreased by Baht 0.5 million.

- (4) In July 2023, the subsidiary faced an allegation of unauthorized land survey and issuance of land title deeds in collusion with government officials in Krabi Noi Sub-district, Muang District, Krabi. Thus far, the subsidiary has already delivered a rebuttal of the aforementioned allegation.

36. Fire incident

In September 2022, the subsidiary received full compensation from business interruption insurance for the fire incident at Krabi factory in 2020.

37. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value is disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	37	158	195
Assets for which fair value is disclosed				
Investment properties	-	-	197	197

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	15	189	204
Derivatives				
Foreign currency forward contracts	-	1	-	1
Assets for which fair value is disclosed				
Investment properties	-	-	197	197

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets for which fair value is disclosed				
Investment in subsidiaries	1,417	-	-	1,417
Investment properties	-	-	26	26

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1	-	1
Assets for which fair value is disclosed				
Investment in subsidiaries	1,496	-	-	1,496
Investment properties	-	-	30	30

During the years 2023 and 2022, there were no transfers within the fair value hierarchy.

38. Financial instruments

38.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
Derivative assets				
Derivatives assets not designated as hedging instruments				
Foreign exchange forward contracts	-	784	-	784
Total derivative assets	-	784	-	784
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	222	-	222	-
Total derivative liabilities	222	-	222	-

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 3 months to 6 months.

38.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other accounts receivable, loans, trade and other payable, short-term and long-term loans and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, loans, deposits with banks and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade and other receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major and overseas customers are generally covered by letters of credit or advance payment or other forms of credit insurance obtained from reputable banks.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating, and coverage by letters of credit and other forms of credit insurance. The Group does not hold collateral as security. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, the Group proceeds to collect debts in accordance with legal procedures. The write-off of trade receivables is subjected to the approval of top management. The operation section will propose to the top management the write-off in case trade receivables have long been overdue and the Group is unable to enforce debt collection activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed and may be updated throughout the year subject to approval of management and then pass to Executive Committee of each company to approve. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three types of market risk comprising currency risk, interest rate risk and commodity price risk.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from acquisition of machinery and trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within six months.

As at 31 December 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	<u>2023</u> (Million)	<u>2022</u> (Million)	<u>2023</u> (Million)	<u>2022</u> (Million)	<u>2023</u> (Baht per 1 foreign currency unit)	<u>2022</u>
US dollars	10.7	4.2	0.1	0.1	34.2233	34.5624
Euro	-	0.1	-	-	38.0334	36.4494

Forward exchange contracts outstanding as at 31 December 2023 and 2022 are summarised below.

As at 31 December 2023				
Foreign currency	Bought amount		Contractual exchange rate of sold amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)		
US dollars	0.16	0.16	(Baht per 1 foreign currency unit) 35.17 - 33.26	May 2024

As at 31 December 2022				
Foreign currency	Sold amount		Contractual exchange rate of sold amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)		
US dollars	0.50	0.50	(Baht per 1 foreign currency unit) 36.20 - 36.51	March 2023

As at 31 December 2022				
Foreign currency	Bought amount		Contractual exchange rate of sold amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)		
US dollars	0.45	0.45	(Baht per 1 foreign currency unit) 34.01 - 34.09	May - June 2023

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans, short-term and long-term borrowings and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group's manages its interest rate risk by having a balanced portfolio of interest rate borrowings.

Significant financial assets and liabilities as at 31 December 2023 and 2022 classified by type of interest rates are summarised in the table below, with those financial assets and

liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2023							
Fixed interest rate							
	Within 1 year	1 to 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	368	59	427	0.15 - 0.60
Trade and other receivables	-	-	-	-	1,347	1,347	-
Financial lease receivables	-	1	-	-	-	1	1.80
Long-term loans to other companies	-	-	-	16	-	16	BIBOR + 1
	-	1	-	384	1,406	1,791	
Financial liabilities							
Short-term loans from banks	519	-	-	-	-	519	2.70 - 3.15
Trade and other payables	-	-	-	-	757	757	-
Other current financial liabilities	-	-	-	-	5	5	-
Long-term loans	-	-	-	5	-	5	1 - 3M BIBOR + 1.5
Lease liabilities	10	19	39	-	-	68	1.41 - 4.73
	529	19	39	5	762	1,354	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
Fixed interest rate							
	Within 1 year	1 to 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	332	16	348	0.05 - 0.50
Trade and other receivables	-	-	-	-	1,221	1,221	-
Financial lease receivables	1	-	-	-	-	1	1.80
Other current financial assets	-	-	-	-	1	1	-
Long-term loans to other companies	-	-	-	17	-	17	THBFIX + 1
	1	-	-	349	1,238	1,588	
Financial liabilities							
Short-term loans from banks	901	-	-	-	-	901	0.70 -1.90
Trade and other payables	-	-	-	-	616	616	-
Other current financial liabilities	-	-	-	-	5	5	-
Long-term loans	-	-	-	58	-	58	3M BIBOR + 1.5
Lease liabilities	5	15	39	-	-	59	1.41, 1.82, 4.25 and 4.50
	906	15	39	58	621	1,639	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2023

	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 to 5 years				
Financial assets						
Cash and cash equivalents	-	-	101	55	156	0.15 - 0.60
Trade and other receivables	-	-	-	1,113	1,113	-
	-	-	101	1,168	1,269	
Financial liabilities						
Short-term loans from banks	319	-	-	-	319	2.70 - 2.88
Trade and other payables	-	-	-	607	607	-
Other current financial liabilities	-	-	-	2	2	-
Long-term loans	-	-	5	-	5	1 - 3M BIBOR + 1.5
Leases	1	5	-	-	6	1.41 - 4.16
	320	5	5	609	939	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2022

	Fixed interest rate		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 to 5 years				
Financial assets						
Cash and cash equivalents	-	-	110	11	121	0.05 - 0.50
Trade and other receivables	-	-	-	1,041	1,041	-
Other current financial assets	-	-	-	1	1	-
	-	-	110	1,053	1,163	
Financial liabilities						
Short-term loans from banks	711	-	-	-	711	1.70 - 1.85
Trade and other payables	-	-	-	447	447	-
Other current financial liabilities	-	-	-	2	2	-
Leases	-	3	-	-	3	1.41 and 1.82
	711	3	-	449	1,163	

The sensitivity of the Group's profit before tax and shareholder's equity to a reasonably possible change in bear floating interest rates on cash at banks, loans and borrowing as at 31 December 2023 and 2022 of 1% increase or decrease in interest rates, with other variables held constant, would not be material.

Commodity price risk

The Group is affected by the price volatility of certain commodities which were fresh palm fruit and crude palm oil. Price volatility has depended on the shortage or oversupply of fresh palm fruit and crude palm oil among the market. The Group has developed and enacted procurement and inventory management policy taking into accounts of forecasted production volume and changes in the price of fresh palm fruit and crude palm oil.

Liquidity risk

The adequacy of cash represented the risk and liquidity management. The Group has deposited cash with the reputable and creditable banks or financial institutions, and has access to sources of funding with high credit-rating banks. The Group monitors the risk of a shortage of liquidity through the use of short-term and long-term credit facilities and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from banks	449,793	70,132	-	-	519,925
Trade and other payables	-	756,533	-	-	756,533
Other current financial liabilities	-	4,818	-	-	4,818
Long-term loans	-	-	5,900	-	5,900
Lease liabilities	-	13,659	28,825	55,511	97,995
Total non-derivatives	449,793	845,142	34,725	55,511	1,385,171

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2022				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from banks	751,120	150,249	-	901,369
Trade and other payables	-	615,806	-	615,806
Other current financial liabilities	-	4,731	-	4,731
Long-term loans	-	32,950	27,034	59,984
Lease liabilities	-	7,540	24,046	89,809
Total non-derivatives	751,120	811,276	51,080	1,671,699

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2023				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from banks	319,109	-	-	319,109
Trade and other payables	-	605,598	-	605,598
Other current financial liabilities	-	1,699	-	1,699
Long-term loans	-	-	5,900	5,900
Lease liabilities	-	2,294	7,584	9,878
Total non-derivatives	319,109	609,591	13,484	942,184

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2022				
On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from banks	711,058	-	-	711,058
Trade and other payables	-	446,730	-	446,730
Other current financial liabilities	-	1,624	-	1,624
Lease liabilities	-	1,056	3,989	5,045
Total non-derivatives	711,058	449,410	3,989	1,164,457

38.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, its fair value is not expected to be materially different from the amounts presented in the statement of financial position.

39. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods. As at 31 December 2023, the Group's debt-to-equity ratio was 0.31:1 (2022: 0.39:1) and the Company's was 0.28:1 (2022: 0.36:1).

40. Events after the reporting period

On 23 February 2024, a meeting of the Company's Board of Directors passed a resolution to propose the payment of a dividend of Baht 0.25 per share or a total of Baht 205.0 million from the Company's 2023 operating result.

On 22 February 2024, a meeting of the Board of Directors of United Palm Oil Industry Public Company Limited ("the subsidiary") passed a resolution to propose the payment of a dividend of Baht 0.30 per share or a total of Baht 97.2 million from the subsidiary's 2023 operating result.

The payment of dividends will later be proposed for approval in the Annual General Meeting of the Company's and its subsidiary's shareholders.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2024.

Annex

Drink, Fruits & Vegetables packed in can, and Sauces & Seasonings Industry

1. Beverage Industry

- Juice and Nectar

Juice and Nectar category is shrinking and has slow growth. Consumers nowadays are health conscious and looking for functional and herbal beverages to enhance their immune systems and improve gut health. They also control their sugar intake. Recently, there are more new products have been launched in the healthy segment.

- Plant – based milk

Plant-based milk category is continuously rising in the past two years. The market is niche but has promising growth. Consumers are aware of health and well-being. They are also becoming more concerned about the environment and sustainability. They prefer to consume less meat and shift to plant-based products. Apparently, more consumers intend to be vegetarian and vegan. Recently, Oat Milk drink is a big hit which attracts more players to penetrate this category both local and global brands. The competition is very challenging. Food services channel has been focused on especially café s. While soy milk is declining.

2. Canned fruits and vegetables

The canned fruit and vegetable category in domestic market has declined due to soft economy raw material supply uncertainty from unpredictable climate change causing high impact on product cost. Consumers also shift their behaviour to consume more fresh fruits and vegetables especially organic which is growing continuously.

3. Sauces and Seasoning

Consumers are more health conscious and prefer to cook at home as a result sauces and seasoning category has increased.

Food services industry has started to operate after the COVID-19 relief measures. The demand has rebounded.

Number of Competitors and Company Size Compared to Competitors

Product Category / Business Group	No. of competitors	Size of business comparing to competitors
1. Fruits and Vegetables group - Canned Vegetables - Canned Fruits	3 1	Medium Medium
2. Beverages - Juices & Nectar - Plant-based milk	4 6	Medium Medium
3. Sauces and Seasoning	More than 10	Small

Competitive Potential

UFC continuously focus on producing quality food and beverage products. We are dedicated to invest on research and development to innovate new products to drive high quality, great taste and cost efficiency to satisfy consumers in all dimensions. We encourage to strengthen our competitive advantage in both domestic and international markets.

Marketing Policy and Strategies

- Build 21st-century brand awareness, particularly in the plant-based milk category, advertise and promote in online and offline media
- Develop marketing activities to establish positive product experience among target consumers
- Develop new products to meet consumer needs
- Develop business partnership to leverage brand awareness and expand consumer base in the long term
- Strengthen offline and online distribution coverage to align with consumer behavior including Food services.

Target Market

Nowadays consumers are health conscious and looking for high quality product and full of nutrients with good taste for new normal lifestyle. They are willing to explore new tastes, new ingredients with new innovations and pay premium price for better products.

Distribution and Distribution Channels

UFC is continuously developing and improving distribution channels for wholesalers and retailers including e-commerce to ensure that consumers are easy to access our products. We have more focus on Food services for out-of-home consumption i.e. restaurants, hotels, and cafés which are growing.

Proportion of Domestic to International Sales in Last 3 Years

Sales contribution of domestic and export businesses were 18.6 : 81.4 (19.2 : 80.8 in 2022), from 38 countries in all continents around the world.

Proportion of domestic to international sales in last 3 years were as follows: -

	2023	2022	2021
Domestic Sales	18.61%	19.20%	24.89%
International Sales	81.39%	80.80%	75.11%

Product Sourcing

Procurement of products and raw materials starts from specification that was set to meet quality standards. Purchasing department, then, searches for suppliers and/ or agents that can deliver such expectations.

Once the details of suppliers and/ or agents are identified, purchasing team would finalize the process based on quality, credibility, capability of delivery, and prices as key selection criteria.

Manufacturing

UFC has 2 manufacturing facilities located in Lampang and Nakhon Pathom provinces, with the following manufacturing capacity:-

- 1,240,000 standard cases of canned fruits and vegetables
- 6,001,000 standard cases of beverages (inclusive of all UHT, canned, and bottled packaging for juice & nectar, plant-based milk, and coffee)
- 172,000 standard cases of sauces and seasoning

Raw Material Sourcing

For key vegetable raw materials such as corn, the company supports local farmers by providing corn seeds and giving price insurance for what is produced. In order to ensure good quality raw materials, the company also keeps agricultural land in Lampang province to grow certain raw materials as manufacturing supplies.

For fruits and coconut water, the company procures raw materials from farmers' representatives at market prices.

Problem with Raw Material

Similar to palm, fruits and vegetables are agricultural products. Their quantities and qualities depend very much on climate conditions, which will affect the cost of goods and pricing accordingly.

Material Substitution

UFC has created sustainable partnership with a group of farmers in Lampang, where one of UFC manufacturing facilities is located, for them to grow certain fruits and vegetables. Then, UFC committed to buy from them at a mutually agreed contracted price.

For Rambutan, which is one of the core materials, we source from different parts of Thailand based on the season in each region. For example, we source from the Southern provinces when the eastern provinces run low in supply with higher price.

For those raw materials that can be kept in semi-processed form such as mango used for mango juice production, the company buys mango during its season and keep part of them frozen in mango-pulp format for production during off-season.

Moreover, UFC production lines are flexible for many product types. For example, the beverage lines can produce coconut water, juices & nectars, and plant-based milk. This enables machine utilisation throughout the year, despite the seasonality of raw materials.

Suppliers of Raw Material

The numbers of raw materials suppliers were 265 in 2023 (2022 : 258)

Proportion of Purchasing Raw Material in the Kingdom and Abroad

- Domestic at 98% (2022 : 97%)
- Abroad at 2% (2022 : 3%)