



UNITED PALM OIL INDUSTRY PUBLIC COMPANY LIMITED

Annual Registration Statement

2023

(Form 56-1 One Report)



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This Form 56-1 One Report referred to the information disclosed on the Company's website www.upoic.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.



Message from the Chairman

After passing the year 2022 when was an unusually volatile year for palm oil price, with the gap between the highest and the lowest prices widen 30 baht/kg. as explained in previous year's One Report, the situation in 2023 has resumed to become normal with less volatile prices. Palm oil industry in overall expanded mainly from the demand driven by domestic consumption due to the return to normal business operations especially the restaurant industry and the rebound in the tourism sector. Furthermore, the measure to adjust the formula of biodiesel production from B5 since October 2022 to B7 throughout the year 2023 also increased the demand for palm oil.

Major factor affecting price fluctuation in the first half of the year was the speculation of a decline in production output due to drought for a certain period from the widely foreseen phenomenon of 'Super El Niño'. However, the Kingdom's oil palm output in 2023 was in fact quite steady when compared with 2022, amounting 18.2 million MT, 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.

Nevertheless, no matter how severe the business fluctuation is, prudent and efficient financial management enable the Company to maintain liquidity and growth in various situations. To continuously strengthen and sustain its performance, strategic planning along with the sustainability framework by taking into account stakeholders in all 3 dimensions: environment, society, and governance (ESG) is essential to drive business with the principles of good governance to mitigate environmental issue. The Company is aware of the importance of this matter and is actively integrating ESG pillars into normal business processes.

I would like to thank and express my gratitude for the trust and confidence of all company shareholders, customers, partners, business partners, and stakeholders, as well as all executives and employees who have fully put their effort into performing duties with dedication and honesty. All that has contributed to the Company's remarkable success.



Assoc. Prof. Naris Chaikasoot, Ph.D.
The Chairman

Message from the Managing Director

Company's Performance

The Company and its subsidiaries' overall operating performance in 2023 declined from the previous year by 35.9%. The net profit was 203.5 million Baht (2022: 317.3 million Baht), resulting from the crude palm oil (CPO) and crude palm kernel oil (CPKO) average selling price decreasing by 30 and 48%, respectively. The sales volume of CPO experienced a decrease of 17%, while the sales volume of CPKO saw a significant increase of 131%. Consequently, the Company's revenue from sales decreased to 1,481.5 million Baht (2022: 2,237.5 million Baht), reflecting a decline of 33.8%.

Rainfall and a dry spell during 2023, together with the 'Super El Niño' phenomenon, led to a 4.2% decrease in domestic production of FFB with no significant effects that were predicted. Nevertheless, the continuous rainfall in 2023 benefited the oil extraction rate, reaching 18.3% (compared to 17.8% in 2022), resulting in a slight decrease of 1.4% in CPO production. Additionally, the recovery from the COVID-19 pandemic had a positive impact on domestic consumption, showing a 14.5% improvement. Notably, the price of CPO has steadily declined since the third quarter to the present.

Due to a constant increase in oil palm harvesting areas, the current total area is equal to 6.2 million rai, leading to domestic oversupply of CPO. Consequently, there had been an increase in the export of CPO to balance the stock, the trend that has continued since 2021. However, there was a decrease in CPO exports to 0.9 million tons in 2022 (2021: 1.03 million tons), accounting for 12.2% decrease. This can be attributed to the reduction in FFB production and the rise in domestic consumption. As a result, the domestic price needed to align with the global price to sustain continued exports.

Production and Investment

With a commitment to maintaining our high standards and increasing production and operational efficiency, the management has focused on the growth of our profitability. Consequently, the Company has continued its investment projects. In 2023, the Company installed the Nozzle Separator to decrease the oil loss rate in the production process, constructed a building, and installed a machine for processing purchased palm kernel seeds to increase production proficiency. Additionally, the Company transitioned to a new machine to press and shred empty fruit bunches, producing fiber that can be utilized as fuel and fertilizer, thus reducing oil loss in the production process. A power transmission system from biogas production to the CPO crushing process was completed to decrease the purchase of electricity from third parties, resulting in cost savings. Additionally, the Company has implemented strict measures in harvesting its own FFB to achieve high-quality FFB. This includes palm oil tree maintenance, transportation cost control, and consistent quality control of purchased FFB. As a result of these measures, the Company's oil extraction rate increased by 1.7% compared to the performance in the year 2022.

Sustainable Growth and Social Responsibility

To ensure the trust of stakeholders, the Company operates the business that contributes to sustainable growth across the supply chain. The Company's plantations and crushing mill have been certified with the Roundtable on Sustainable Palm Oil since 2013. This indicates the Company's commitment to be a business that demonstrates excellent performance and consideration of effects on the environment, as well as maintaining a good relationship with the community.

In 2023, the Company mandated executives and employees to participate in a project aimed at enhancing the quality of sustainability data for listed company. This involved a commitment to disclose sustainability policies and performance related to environmental, social, and governance (ESG). The goal was to communicate to investors and stakeholders the Company's perspective on the sustainability dimension, moving beyond the presentation of financial data alone. This was done to build confidence in the Company's ability to manage the business transparently, maintain competitiveness, and generate long-term returns.

In addition, the Company participated in the ESG DNA project to disseminate sustainability knowledge to employees across all departments, promoting awareness and understanding. This initiative raised consciousness about the significance of aligning diverse activities with sustainable concepts and contributing to the advancement of sustainability strategies. Consequently, this has yielded benefits for both the Company and society.

Message from the Managing Director

Human Resources and Corporate Culture

Human resources are considered the most valuable resources in the organization. The Company thereby has emphasized the importance of enhancing the potential of employees, in terms of knowledge, skills, and management, to foster specialization and enhance competitiveness both at the organizational and individual levels. This included activities aimed at promoting teamwork, quality consciousness, safety, and investment in various support systems. The goal was to encourage employee participation and self-learning, serving as a crucial mechanism for systematic and sustainable growth.

In 2023, there was a recovery from the Covid-19 pandemic, although the Company has continued to maintain pandemic prevention measures. This has been done as the Company consistently prioritizes the health and safety of its employees, including their families. These efforts encompass the maintenance of the working environment, ensuring that machines and equipment are kept ready for use, clean, and safe.

On behalf of the Board of Directors, Executives, and employees, I would like to take this opportunity to thank the shareholders, customers, and business partners for their trust and support for our Company's businesses.



Ms. Anchalee Suebchantasiri
Managing Director

Section

Business Operation and Operating Results

1

1. Organization Structure and Operation of the Group the Company

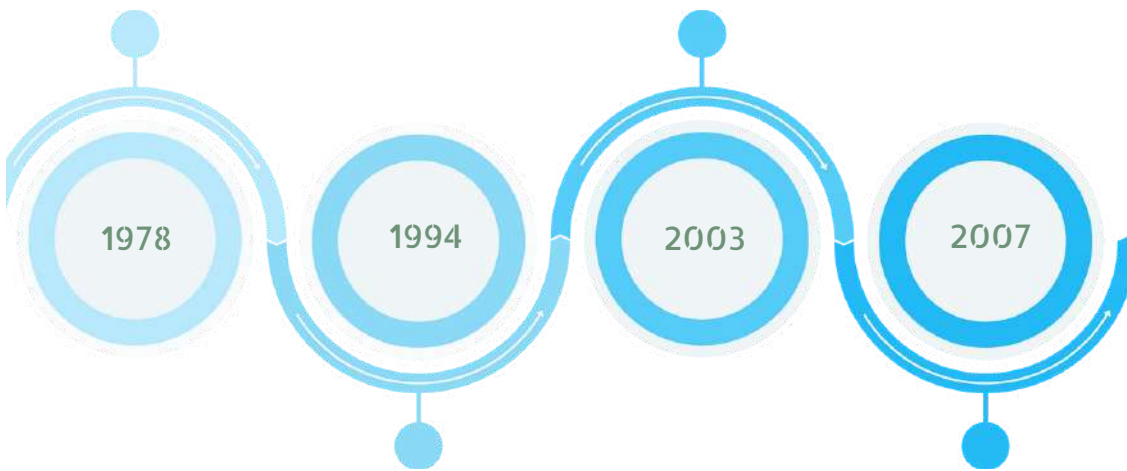


1.1 Policy and Business Overview

Company Background

The Company has registered according to civil and commercial code as a limited company license no. 664/2521 on 21 April 1978, with 20 MB registered capital. The Company produces CPO from fresh palm and owns oil palm plantations in Krabi and Surat Thani province.

On 28 May 2003, Lam Soon (Thailand) PCL (“LST”) acquired 13,600,763 shares or 41.97% of total shares from the Company’s major shareholders. Combining with its 7,874,704 existing shares or 24.30% of total shares, LST became the Company’s major shareholder holding a total share of 66.29%. At present, LST holds 69.96% of total shares.

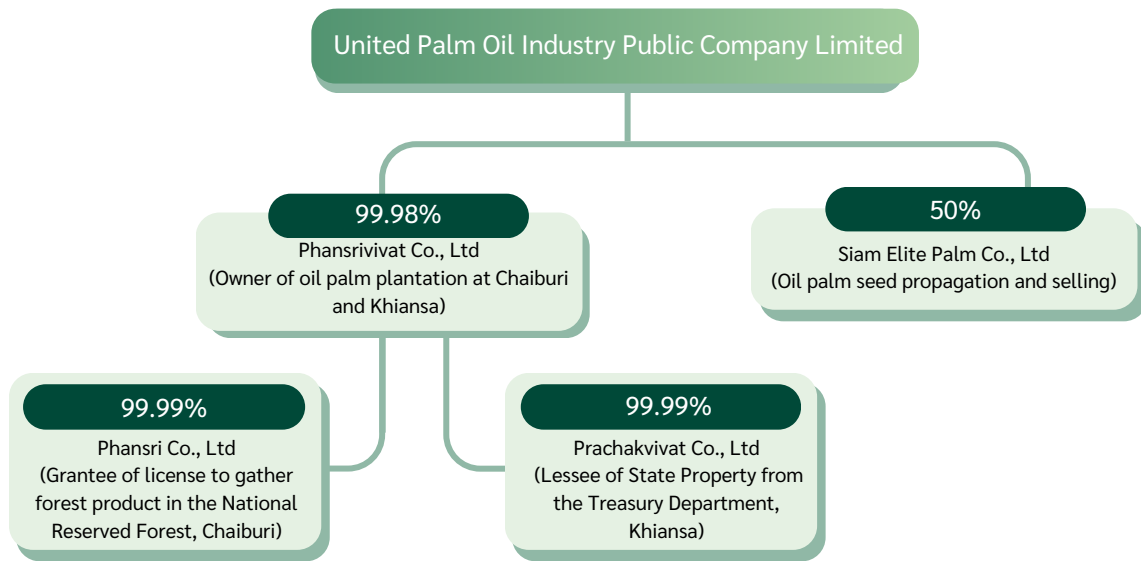


In February 1994, Commonwealth Development Corporation or CDC, a UK development finance institution became the Company’s largest shareholder after acquiring 47% of the Company’s total shares.

Later on, 15 August 1994, the shareholders approved the increase of registered capital from 250 million Baht to 324.05 million Baht by issuing 7,405,000 common shares at 10 Baht par value. The newly issued shares were swapped with all shares of Phansrivivat Co.,Ltd at 40.9985 Baht per share. Phansrivivat Co.,Ltd has 2 subsidiaries that owned 2 oil palm concessions with over 21,349 rai in Surat Thani province. The merger resulted in the largest oil palm company in Thailand, in terms of planting area of over 44,440 rai.

At the beginning of 2007, the Company set up Siam Elite Palm Co., Ltd, a joint venture with Center de Cooperation Internationale en Recherche Agronomique pour le Developpement (CIRAD), a French organization with expertise in tropical agriculture research and development, with a registered and paid-up capital of 50 million Baht consisting of 5 million common shares at 10-Baht par value, to produce and propagate oil palm seed. In 2009, CIRAD transferred its shares in Siam Elite Palm Co., Ltd to a subsidiary, Palm Elite SAS (France) Co., Ltd

The Company has a business operation structure as depicted in this diagram.



1.1.1 Vision, Mission and Goal in Business Operation

Vision



The leading sustainable palm oil business Company with operational excellence, international best practices, and world-class competitive strengths.

Mission

1

Building capacity in entire palm oil business value chain from seeding, germinating, plantation, crop oil extraction and related business so as to be competitive and recognizing in the industry.

2

Performing the high value palm oil business by focusing on palm oil seed with high yield to fulfill grower requirements of as well as providing the best services.

3

Employing advanced technology in production and international management system as well as taking care of the environment, biodiversity, communities, and society.

4

Always ensuring the health, safety, and welfare of all employees and building trust and confidence among our customers, grower/suppliers and generating return to shareholders and other stakeholders appropriately.

Business Goal and Strategy

The Company commits to achieving the business goal with transparency, integrity, respect for human rights and responsibility toward communities and environment. The Company has also applied sustainable plantation management and applied up-to-date technology to increase production efficiency, while taking into account the impact on the environment, society and community. All these orientations are vital in attaining the topmost Company's values, the stakeholder benefits, and consistently contributing to shareholders' wealth in the longer term. All sectors are important for the sustainable growth and development of the business.

1.1.2 News Highlights of Previous Year



Sustainability Performance

The Company places importance on a substantial sustainability performance and a disclosure of such performance, covering 3 dimensions: environment, social, and corporate governance throughout a whole value chain. In 2023, the Company was selected to be part of the program to enhance the quality of sustainability data for the listed company held by the SET. As a result, the disclosure and report of sustainability performance, which is part of the Company's annual report (56-1 One Report), is completed, pertinent, and becomes more beneficial towards the investors.

Additionally, the Company appointed the Sustainability Committee and created the Committee's charter, which received approval from the Board of Director on August 7, 2023.



Durian



The Company began its durian cultivation project in the year 2018 and concluded the project in 2021, focusing on the Mon Thong variety as the main cultivar in the Ban Mak estate. Currently, there is a total land area of 170 rai.

The Company has started harvesting the durian in 2023, with the first year's yield amounting to 11.5 tons. The Company anticipates reaching full yield within the next 2-3 years.



1.1.3 The Use of the Proceeds from the Fundraising

-None-

1.1.4 Obligations that the Company Pledges in the Securities Offering Registration Statement and /or the SEC's Conditions and / or SET's Listing Conditions

-None-

1.1.5 The Company Profile

Company's Name

United Palm Oil Industry Public Company Limited

Registration No.

107536000404 (formerly Bor Mor Jor 114)

Website

www.upoic.co.th

Nature of Business

Oil palm plantation and production of crude palm oil (CPO) and crude palm kernel oil (CPKO)

Registered Share Capital

324,050,000 Baht

Outstanding common shares

324,050,000 Shares

Par value

1 Baht

Head Office

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



1.2 Nature of Business

The Company and its subsidiaries have their own oil palm plantations, using fresh fruit bunches (FFB) as the main raw material for crude palm oil (CPO) production. We also purchase FFB from out-growers in the surrounding area of the crushing mill. Additionally, the Company produces other by-products, including crude palm kernel oil (CPKO) extracted from palm kernels (PK) and palm kernel cake (PKC) resulting from the production of CPO, which is used in the animal feed industry.

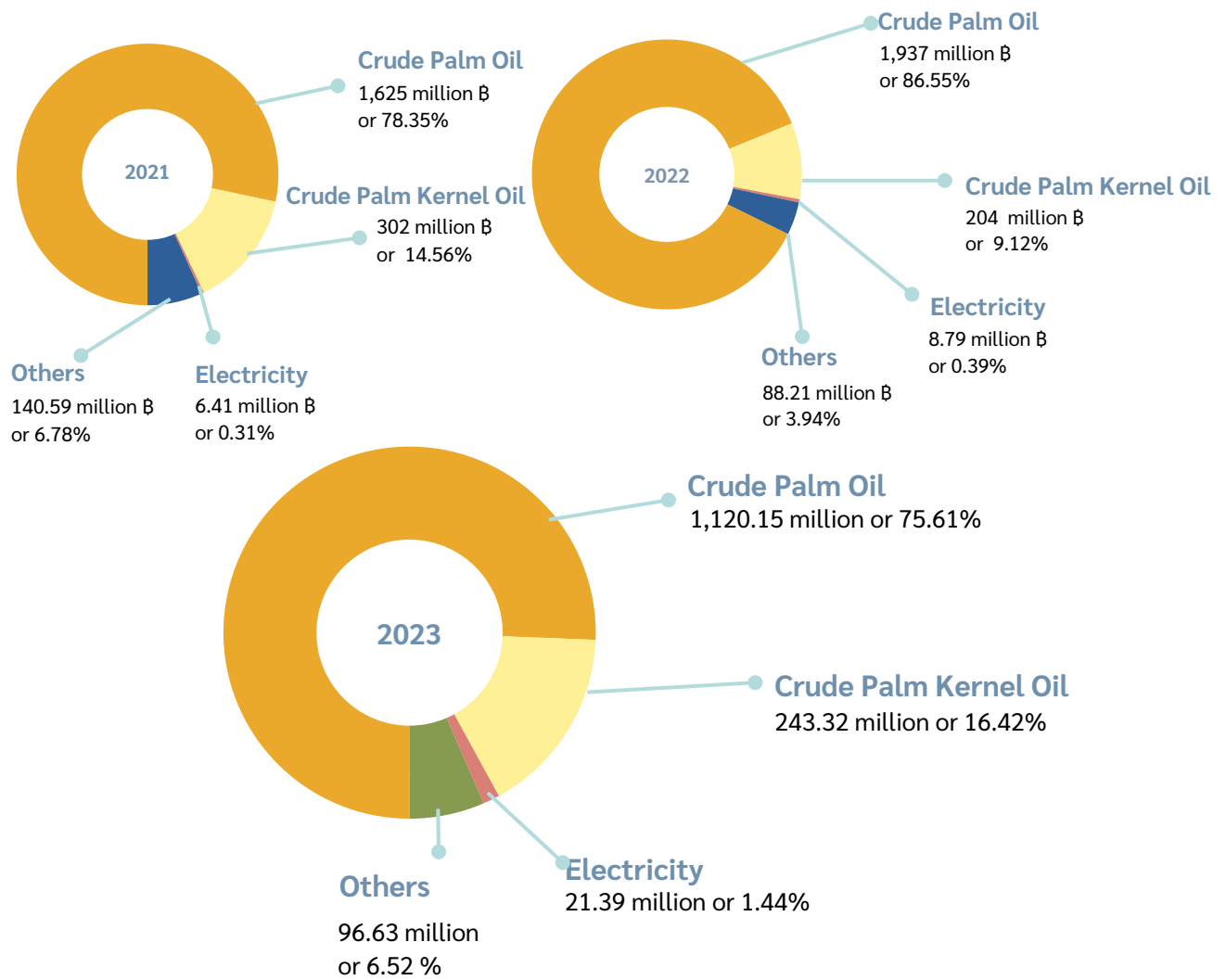
Currently, the Company and its subsidiaries own 13,478.06 rai with land title documents and 15,103.69 rai of government-owned land under lease contract and permission to gather forest products in Krabi and Surat Thani provinces.

The Company owns a palm oil crushing mill in Krabi province with a processing capacity of up to 486,000 MT of FFB per annum (75 MT per hour). The palm kernel expeller plant (PKX) is capable of processing up to 24,300 MT of PK per annum.

The Company's revenue comes from domestic sales of primary products, including CPO, CPKO, and PKC, which are important raw materials for products such as edible (cooking) oil, animal feed, butter, margarine, soap, shampoo, detergent, cleansing liquid, cosmetics as well as food ingredients for snacks and ice cream. PKC is mainly supplied to local poultry farmers and animal feed production. Additionally, the Company generates revenue from by-products such as electricity, empty fruit bunch, and shell.

In 2023, CPO sales accounted for 63.39 of the total revenue. The Company's production of CPO accounted for less than 5% of the total CPO output in the Kingdom. This can be attributed to the presence of 108 CPO crushing mills that remain operational, resulting in intense competition in both quantity and pricing of FFB. Additionally, the quality of FFB procured from growers does not meet the required standard.

1.2.1 Revenue Structure



Product/Services	Operated by	% of shares held by Company	2023		2022		2021	
			Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
CPO	UPOIC	100	1,120.15	75.61	1,937	86.55	1,625	78.35
CPKO	UPOIC	100	243.32	16.42	204	9.12	302	14.56
Electricity	UPOIC	100	21.39	1.44	8.79	0.39	6.41	0.31
Others	UPOIC	100	96.63	6.52	88.21	3.94	140.59	6.78
Total			1,481.49	100	2,238	100	2,074	100

1.2.2 Product Information

(1) Product Characteristics

(1) **Crude Palm Oil (CPO)** is an oil obtained from the extraction of Fresh Fruit Bunches (FFB), with the extraction rate varying depending on the quality of FFB. The average extraction rate is approximately 18%. By-product of the extraction is palm kernel which is raw material to produce Crude Palm Kernel Oil (CPKO).



(2) **Crude Palm Kernel Oil (CPKO)** is an oil extracted from palm kernel seeds, with an oil extraction rate of 45%. The residue from the extraction process is palm kernel cake, which is used as a raw material for animal feed production.



Electricity

(4) Electricity

The Company sells electricity generated from the biogas and biomass productions, which are derived from the residual materials of the CPO production process.

(3) **"CIRAD Seeding"** which is the seed variety developed through a partnership for over 50 years by a team of scientists and breeders. They have a strong research program and have selected the largest and most advanced molecular-level technologies to create this variety. They possess a network of palm oil plantations spanning across eight countries, enabling them to develop palm oil seed varieties that are well-adapted, drought-resistant, and high-yielding. Notable varieties include **Millennium**, **Elite**, and Ganoderma Boninense resistant **"Gano"**.



Seeding



By-product

(5) **Other** There are by-products resulting from the production process, such as empty fruit bunch, palm kernel shells, and palm kernel cake.

CPO and CPKO are the raw material used for downstream industries such as cooking oil, shortening, margarine, cracker, cake, cocoa butter, ice-cream, creamer, soap, shampoo, candle, glycerin, amines color, food ingredient, chemical products, tin coated, feedstock, etc. In addition, palm oil is currently an important material in Biodiesel production which is an alternative energy for petroleum oil.



Oil palm has significant qualities i.e., high burning point and enriched with beta carotene being beneficial for health. Besides, it has lower absorption than other cooking oils, resulting in not sticking to the fried food, having better food color and longer shelf life.

Factors that Impact Business Opportunities or Limitations

The Company's subsidiaries have palm plantation areas totaling approximately 15,103.69 rai, divided into two regions: Khainsa Estate covering 8,588.69 rai and Chaiburi Estate covering 6,515 rai. These areas constitute 52.8% of the Company's total palm plantation areas and are state-owned land.

(a) Khainsa Estate is leased under a 30-year contract from the Department of Treasury, encompassing 4,294.34 rai, starting from July 9, 2014, and lasting until July 8, 2044.

For the other 4,294.34 rai, the Treasury Department will allocate to poor people who own no land at the rate of 10 rai/person. Pending such allocation, the Treasury Department granted the subsidiary to exploit the land and pay the determined rental fee.

(b) Chaiburi plantation is currently in the process of seeking permission for utilization of the 6,515 rai area. In cases where permission is not granted for utilization, the subsidiary will be obligated to purchase FFB from external sources in a higher proportion to compensate for the shortfall in palm fruit production within such area. This, in turn, increases the raw material costs.



Research and Development Policy

The Company places significant importance on building competitiveness and business growth that aligns with the organization's mission and vision. It supports the Company's operations to achieve sustainable objectives by experimenting with various types of palm plantations and implementing modern, highly efficient, resource-efficient, and environmentally friendly technologies. These efforts are aimed at increasing competitive opportunities and adapting to changes in the palm oil business.

1. The development and improvement of the Company's plantations to achieve higher yields involve experiments of adding empty fruit bunches to enhance soil quality in low-yielding areas and increasing fertilizer quantities.
2. Regarding the mill, the Company has made machinery improvements to enhance production efficiency and reduce the rate of oil losses during the production process, leading to an increase in oil extraction rates. Over the past three years, the Company has invested an amount of 160 million Baht in these initiatives.



(2) Marketing and Competition

(A) Marketing Policy and Strategies

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, which currently have oil palm harvesting areas of around 100 and 35 million rai respectively; Thailand has around 6 million rai, about 86% of which is located in southern provinces due to the weather suitability.

Thai palm oil industry has the potential to develop and grow further, following the export expansion and low palm oil consumption per capita. Besides, palm oil price is comparatively low compared to other vegetable oils. Generally, there is no lack of demand for both domestic and international markets. Predominantly, the Company has produced palm oil to serve the domestic demands. Currently, Thailand's production capability exceeds domestic consumer demand, allowing producers to export and increase profitability when there is an excess of palm oil stockpile. In addition, the transition from combustion vehicle to electric vehicle has occurred rapidly. To reduce fuel costs and promote Euro 5-based engines that exclusively utilize B7 biodiesel, there might be a decrease in the consumption of biodiesel in the future.

Nevertheless, to be able to compete in the global market, the Company needs to control the production cost by improving machine efficiency to reduce oil loss during the production process, elevating more FFB into the crushing process, and employing strict quality control of FFB entering the mill.

- **Customer**

Key downstream palm oil industries in Thailand include the following:

Refinery



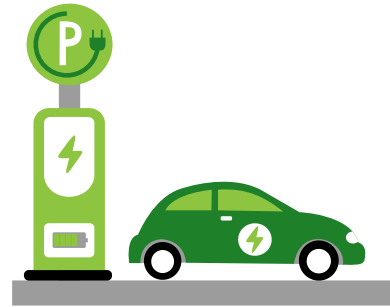
Thailand has 22 palm oil refineries with a total annual production capacity of approximately 2.5 million tons of raw materials. The utilization production capacity is about 70%, even though the number of operators has not increased significantly compared to crushing mills. This is because the refinery requires a high-capital investment, expertise and advanced technology. However, competition in the palm oil refining industry has intensified over the past few years. New operators often use pricing strategies to gain market share.

Biodiesel

In Thailand, there are 16 biodiesel production plants producing fatty acid methyl esters type of biodiesel. About 70% of the production is CPO, while the remaining consists of chemical costs (20%) and operational costs (10%). During 2023, with the COVID-19 pandemic subsiding, the government has lifted strict measures and promoted domestic tourism. This led to an increase in palm oil consumption and its use in various industries within the country, rising by 15.84 percent. However, the Ministry of Energy has implemented the policy of "cancelling the compensation for biofuel prices" due to legal requirements mandating the cancellation of compensation for all types of biofuels from September 24, 2022. However, the Petroleum Fund Act of 2019 allows for a maximum of two extensions, each not exceeding two years. The Oil Fuel Fund Office (OFFO) has already requested the Cabinet for one extension to continue compensating diesel and gasohol prices. Therefore, on September 24, 2024, it will be the last day to use the fund to compensate for the prices of gasohol and biodiesel. This may lead to the reduced demand for CPO to produce biofuels or biodiesel in the year 2024.

In the long term, the growth of electric vehicles must be closely monitored, as it may impact the demand for biodiesel. The Ministry of Energy has set a target to produce electric vehicles, accounting for 30% of the total vehicle production. Moreover, the government has introduced policies such as reducing the import tax from 40% to 0% for complete built-up vehicles and increasing it to from 60% to 0%. Furthermore, the government has implemented a reduction in excise tax from 8% to 2% and has offered a subsidy of 150,000 Baht per electric vehicle.

Additionally, the "30@30" policy was introduced as part of its 13th National Economic and Social Development Plan, in 2026-2030. This policy aims to produce at least 30% of all vehicles as electric vehicles by 2030, transitioning from oil to electric vehicles. In 2023, there was 684.4 percent increase in registered electric vehicles, which will likely reduce the demand for biodiesel in the future, causing higher dependence on exports.



In 2023, due to higher global prices and oversupply of CPO, Thailand was able to persistently export CPO and its products throughout the year. Furthermore, the government has issued the policy that supports the export of CPO to reduce excess production by subsidizing costs not exceeding 2 Baht per kilogram, when the domestic stock level of CPO is more than 300,000 tons and the domestic price is higher than the global market price. Nevertheless, due to a 1.43 percent decrease in CPO production in 2023 compared to the previous year, the total export volume reached 905,685 tons, down from 1,031,281 tons in 2022.

• **Target Customer**



The customers of the Company are palm oil refineries, currently numbering 22 in total, with a production capacity of approximately 2.5 million tons of raw materials per year. Additionally, there are 16 biodiesel production plants in the country. In 2023, the total FFB nationwide amounted to 18.2 million tons (compared to 19 million tons in 2022), reflecting a decrease of 4.21 percent. Despite the reduction in production volume, the domestic demand for CPO is only 2,483,619 tons. This situation necessitates Thailand to explore export markets to accommodate the increased production of CPO.

• **Distribution and Distribution Channels**

The Company sells CPO and CPKO to vegetable oil refining plants and biodiesel production plants. The sales agreements can be either forward contracts or immediate deliveries, depending on the specific case, and include agreements on pricing, the destination for delivery, and the quality of the CPO and CPKO. As for the palm kernel cake, it is distributed to animal feed production plants and livestock farmers located near the Company's factory.

• **The Distribution Ratio within the Country and Internationally over the Past Three Years**

The Company has not engaged in direct palm oil exports abroad over the past three years.

(B) The Competition within the Industry

• Industry Trend and Competition Outlook

For 2023, the palm oil industry as a whole expanded in response to demand, both domestically and internationally. This expansion was particularly notable in the food industry as the economy recovered from the impact of COVID-19. Additionally, the biodiesel industry saw a recovery alongside the transportation sector. Domestic consumption of palm oil reached 1,448,988 tons, accounted for an increase of 15.8 %, with 1,034,631 tons was for biodiesel production, an increase of 12.6%.

In terms of overall palm oil production in 2023, it reached 3,327,808 tons, indicating a slight decrease from the previous year at 1.4% attributed to factors such as reduced rainfall. The price of palm oil in Thailand showed a declining trend, influenced by the situation that impacted the prices return to normal. Additionally, the harvesting in Indonesia and Malaysia has resumed to the usual levels.

In 2023, the Energy Policy and Planning Office (EPPO) approved maintaining the biodiesel blending ratio in diesel fuel B7 for an additional 3 months from October 1, 2023, aiming to reduce production costs and control retail diesel prices. Therefore, the blending ratio of palm oil in biodiesel throughout 2023 remained at B7.

Currently, the Thai palm oil industry has been supervised by the National Oil Palm Policy Committee (NOPPC), ensuring stability and strengthening the entire production chain. They are responsible for setting the oil palm and palm oil allocation policies for household and industrial use, controlling palm oil imports, purchasing oil palm from growers during times of low prices, and advocating for the utilization of produce during periods of high prices. Nevertheless, the NOPPC must collaborate with various agencies to assist the palm oil industry. For instance, the Ministry of Industry supports the food and oleochemical industries, while the Ministry of Energy is responsible for the biodiesel, electricity, and bioenergy industries. Furthermore, the Department of Internal Trade of the Ministry of Commerce recommends palm fruit and palm oil purchase prices that align with fair and appropriate pricing structures and accelerates the monthly reporting of palm oil production, consumption, and stockpile statistics, as per the Central Committee on the Price of Goods and Services' announcement, to be prompt, accurate, and responsive to market conditions.

Nevertheless, in the long term, the policy to enforce Euro 5 standard engine in 2024 to address particulate pollution issues and the government's promotion of electric vehicles to reduce emissions tend to lead to a reduction in the future use of biodiesel and CPO for biodiesel production.

Therefore, trend of industry developments is likely to shift from inexpensive and environmentally damaging vegetable oil towards driving palm oil production through sustainable and traceable certified processes. Furthermore, increasing the value of palm oil as a feedstock for environmentally friendly bio-based products and promoting the high-level oleochemical industry are crucial steps to augment the demand for CPO as a viable alternative to biodiesel production. This strategic shift is anticipated to mitigate the potential decrease in demand for biodiesel in the future, including during periods of surplus palm oil production.

However, the outlook for the palm oil industry regarding its development and advancement to a higher level remains a question of how much can be achieved. Comprehensive development towards becoming a highly advanced industry requires substantial investments to achieve economies of scale. Even though the excess supply of palm oil after basic domestic consumption was increasing, the fluctuation in the quantity and price of palm oil remains a significant challenge and hurdled for market stability as the industry progresses into the next phase.

• Number of Competitors and Company Size Compared to Competitors

The majority of oil palm harvested areas in Thailand is in Surat Thani province, with Krabi, Chumphon, Nakhon Si Thammarat, Trang, and Phang Nga provinces following closely.

In terms of plantations, the Company owns one of the largest oil palm plantations in Thailand, making it one of the leaders in cost advantages for FFB. As for the CPO crushing mills, the Company operates a medium-sized mill with a production capacity of 75 tons of FFB per hour.

Currently, there are approximately 128 palm oil crushing mills of which 108 are in operation. Palm oil crushing mills are spreading in the palm harvested areas in the Southern part of Thailand and have a total capacity of 30-35 million MT of FFB per year.

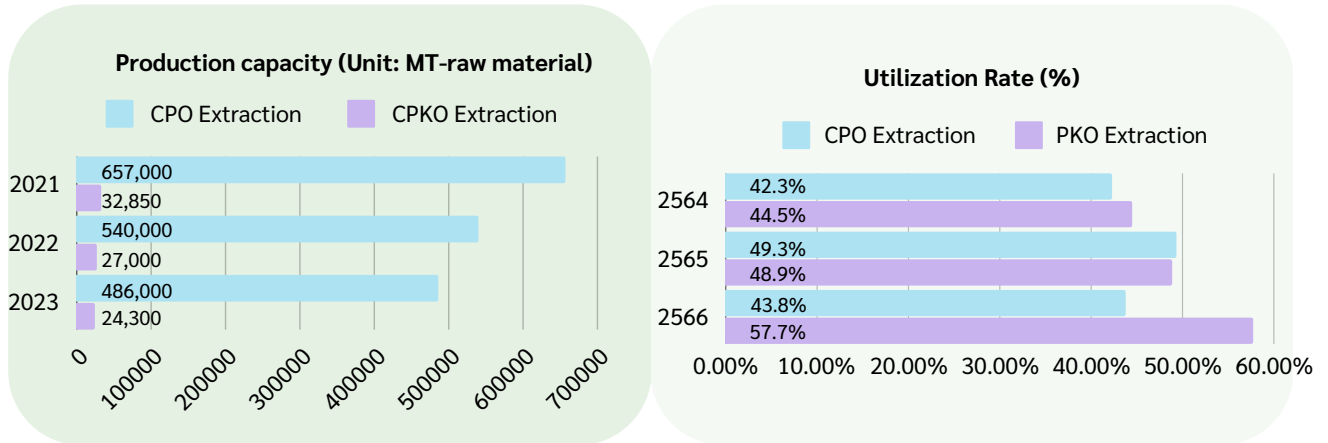
• Status and Competitive Potential

The total annual production capacity of crushing mills is approximately 30-35 million tons of FFB per year. However, this capacity does not align with the FFB production in 2023, which amounted to 18.2 million tons. This led to an overall utilization rate of palm oil mills at around 52-61%, resulting in competitive bidding for FFB at higher prices, often without due consideration for quality. However, due to the large size of the Company's oil palm plantations and its expertise in harvesting practices to ensure high-quality FFB, the Company has maintained its competitive potential in the competition with other mills.

(3) Product Procurement

3.1 Crushing Mill, Capacity and Production Plan

The Company owns the crushing mill of Crude Palm Oil (CPO) and Crude Palm Kernel Oil (CPKO) with a full production capacity (MT):



Note:

1. Number of production shifts are at 3 per day at maximum and 300 working days
2. Number of actual production shifts are at 2 (16 or 24 hours per day depending on Volume of palm fruit.)

3.2 Raw Material Sourcing for Production

3.2.1 Key Raw Materials

The key raw material for the Company is Fresh fruit bunch (FFB), which is sourced from the Company's plantations and purchased from third party, including out-growers and other traders.

Due to insufficient FFB's supply from own plantations to feed the mill, the Company has to purchase FFB from out-growers and other traders to increase the volume of FFB supplied to the mill. All raw material sources are domestic. The Company has a policy of not overly relying on any specific supplier to ensure the sufficiency of the raw materials needed for production.

However, a significant issue in sourcing raw materials is the quality as it depends on rainfall levels and proper supervision. The quality of FFB with high extraction rate depends on harvesting process. A well-executed and standardized harvesting process result in the Company's FFB having higher quality and extraction rate compared to one purchased from external sources.

As the annual supply of FFB to the market is less than the mill's demand when considering the increased production capacity from multiple mills, it results in heightened competition in purchasing FFB. While the CPO extraction rate is relatively low, another contributing factor is the inconsistent weather conditions.

Some years, there are flooding, while others are characterized by drought, resulting in lower oil extraction rates. Additionally, many small-scale palms oil growers do not adopt standardized practices, such as harvesting the FFB before it is ripe, especially during periods of high FFB prices. Furthermore, the increased number of FFB traders who buy from growers and then sell to the crushing mill contributes to the subpar quality of the acquired palm fruit. Consequently, the yield per rai and the CPO extraction rate remain low.

Therefore, the Company has established a policy to provide guidance to oil palm growers seeking to improve the quality of their palm fruit. The Company assesses the quality of their FFB at the point of purchase and adjusts the price in accordance with the extraction rate to incentivize the delivery of high-quality palm fruit to the mill.

The Company has continually maintained machines that used in CPO extraction process to enhance production efficiency, reduce oil losses, and mitigate environmental pollution resulting from the production process.

3.2.2 Raw Material Supplier

Raw material suppliers consist of growers in the local areas and third-party traders, with the quantity of FFB in Krabi Province ranking as the second highest in Thailand, accounting for 21% of the total nationwide FFB production.

Proportion of Purchasing Raw Material in the Kingdom and Abroad

FFB is an agricultural crop that should be transported into the crushing mill within 24 hours. Otherwise, it may result in an increased level of free fatty acid beyond international standards for CPO trading. This could lead to price reductions upon delivery. Therefore, in this industry, there is no importation of FFB from other countries, except for occasional imports in the form of CPO or refined palm oil, under conditions specified by the government.

(4) Assets used in the business

At the end of the year 2023, fixed assets used in the business of the Company and its subsidiary include:

1. Land of palm plantations, mill, office, and residential properties
2. Buildings, mill, office, and employee residences
3. Machinery and equipment
4. Trucks, tractors, and agricultural vehicles
5. Office furniture and equipment
6. Crops for production purposes



These assets have a net book value as of December 31, 2023, amounting to 1,110,160,729 Baht.

The investment policy for subsidiaries and joint venture: the Company has an investment policy in businesses related to its core operations.

(5) Outstanding of Undelivered Project

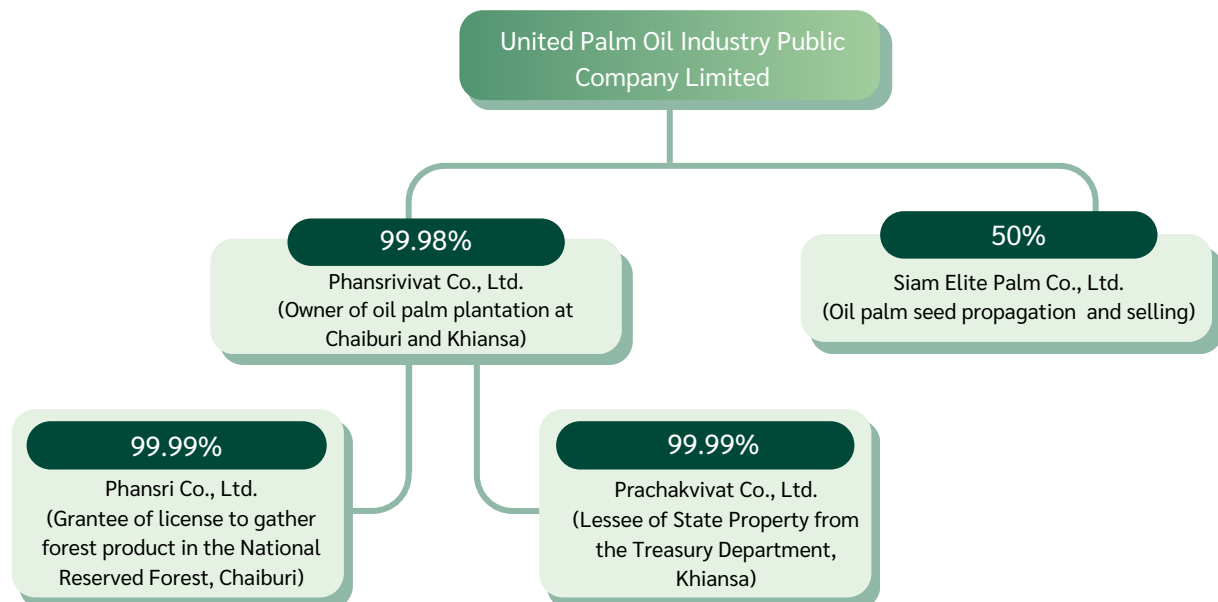
-----None-----

1.3 Shareholding Structure of the Group of Companies

1.3.1 Shareholding Structure

The Company holds 99.98% of the shares in Phansrivivat Co., Ltd (a registered and paid-up capital of 274 million Baht, consisting of 27,400 common shares at 10,000 Baht par value). Phansrivivat Co., Ltd is the owner of an oil palm plantation, and it has leased the oil palm plantation to the Company.

Furthermore, Phansrivivat Co., Ltd also holds 99.99% of the shares in Phansri Co., Ltd (with a registered and paid-up capital of 5 million Baht, consisting of 500 common shares at 10,000 Baht par value). Phansri Co., Ltd has obtained a permission to gather forest products from the Royal Forest Department in the area of Chai Buri District, Surat Thani Province, covering an area of 6,515 rai. Additionally, the Prachakvivat Co., Ltd. (with a registered and paid-up capital of 5 million Baht, consisting of 5,000 common shares at 1,000 Baht par value) has lease contract for oil palm cultivation from the Treasury Department in the area of Khainsa District, Surat Thani Province, covering an area of 8,588 rai.



The Company holds shares in two company as listed:

1. Phansrivivat Company Limited

Office	: 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	: holding company, 99.99% shareholder in 1. Phansri Company Limited and 2. Prachakvivat Company Limited which own the concession of oil palm plantation
Registered Share Capital	: 27,400 shares (par value of 10,000 Baht per share)
Shareholding (common shares)	: 27,394 shares or 99.98%

Remarks :

	Phansri Company Limited	Prachakvivat Company Limited
Office	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	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
Estate Location	Chaiburi Sub-District, Chaiburi District, Surat Thani	Khiansa and Kamvaree Sub-District, Khiansa District, Surat Thani
Granted area	6,515 rai (under permission granted to gather forest product in the National Reserved Forest)	Lease of State Property from the Treasury Department : classified into 2 parts: <i>Part 1 : 4,294.34 rai is the lease for a period of 30 years from 9 July 2014 to 8 July 2044</i>
Exploit Period	from 12 May 2022 to 9 May 2024	<i>Part 2: 4,294.34 rai; the Treasury Department will allocate to poor people who own no land at the rate of 10 rai/person. Pending such allocation, the Treasury Department granted the subsidiary to exploit the land and pay the determined rental fee.</i>
Registered Share Capital	500 shares (par value of 10,000 Baht per share)	5,000 shares (par value of 1,000 Baht per share)

2. Siam Elite Palm Company Limited

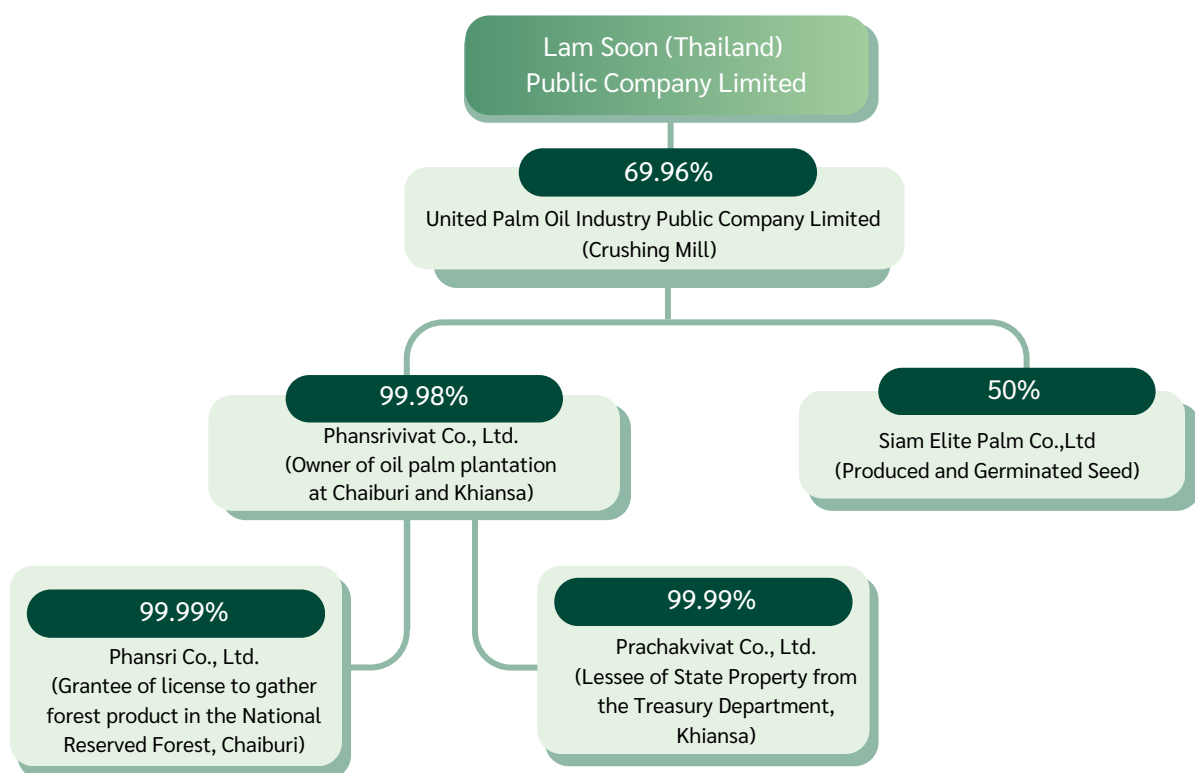
Corporate Headquarters	: 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260 Tel 02-744 1046 Fax 02-361 8989
Krabi Office	: 98 Moo 6, Nuaklong-Khao Phanom Road, Km. 9.5 Huayyoong Sub-District, Nuaklong District, Krabi 81130 Tel 075-666 075 Fax 075-666 072
Nature of Business	: Oil palm seed propagation
Registered Share Capital	: 5,000,000 shares (par value of 10 Baht per share)
Shareholding (common shares)	: 2,500,000 shares or 50.00%

1.3.2 Individuals who May Have a Conflict of Interest Hold Shares in Subsidiary or Joint Venture that Exceed 10 Percent of the Total Number of Voting Shares in the Company

The Company does not have individuals who may have a conflict of interest holding shares in subsidiaries or joint venture that exceed 10 percent of the total number of voting shares in the Company.

1.3.3 The Relationship with the Major Shareholder's Business Group

Lam Soon (Thailand) Public Company Limited, a major shareholder, operates in the CPO refining business. The main raw material is CPO, while the Company is involved in the CPO extraction business. Nevertheless, the managing directors of both companies have not been the same individuals since June 2022. This arrangement ensures the independence of both companies in managing the buying and selling of CPO.



1.3.4 Shareholders

The Company has a total of 1,801 shareholders, with 1,603 of them being minority shareholders, accounting for 24.48 percent. There are major shareholders as indicated in Table (A), who do not engage in shareholding activities in other companies and have not entered into any shareholder agreements.

(A) The Top 10 Shareholders as of April 7, 2023.

No.	Shareholder's name	No. of Shares	Percentage of Paid-up Capital
1	Lam Soon (Thailand) Plc.*	226,715,110	69.96
2	Wattanachote Co., Ltd.	17,995,600	5.55
3	Mr. Suwit Laohapolwattana	15,566,000	4.80
4	Mr. Somkiat Peetakanonda	5,428,000	1.68
5	Mr. Vichai Jiracharoenkigkol	3,713,900	1.15
6	Wattanasophonpanich Co., Ltd.	3,621,000	1.12
7	Mr. Thammanoon Sahadithdamrong	3,549,400	1.10
8	Ms. Duangkamol Thanitsaranont	2,400,000	0.74
9	GreenSpot Co., Ltd.	2,365,000	0.73
10	Mr. Chawalit Tsao	2,295,800	0.71

Source: Thailand Securities Depository Co., Ltd.

Nature of Business: a manufacturer and distributor of vegetable oil products, margarine and shortening.

(B) Major Shareholder with the Determination of the Company's Business Policy or Operation

Lam Soon (Thailand) Public Company Limited is the major shareholder participating in the formulation of business policies by the appointment of four directors as representative. This includes one managing director and three directors who serve as both companies' joint directors. In order to ensure transparent and well-governed business operations, the Company has structured its management with knowledgeable and capable personnel. Clear roles and responsibilities have been defined, along with the appointment of the Audit and Corporate Governance Committee. The Committee consists of three independent directors who have no conflict of interest with the Company. Their role is to audit the Company's operations and ensure sufficient oversight to safeguard the interests of minority shareholders, thereby creating a balance of the management's power at an appropriate and verifiable level.

(C) Shareholder Holding Not Less Than 10% of Lam Soon (Thailand) Plc.'s Shares on 7 April, 2023

No.	Shareholder's name	Percentage of Paid-up Capital
1	Lam Soon Holding Co., Ltd.**	42.11
2	Hap Seng Consolidated Berhad	20.0

Source: Thailand Securities Depository Co., Ltd.

**Nature of Business: a holding company established to invest in other companies.

(D) The Shareholders Holding Not Less Than 10% of Lam Soon Holding Co., Ltd. as of April 7, 2023.

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

*** Nature of Business : A holding company engaged in investing in other companies.

1.4 Registered and Paid-up Capital

The Company was listed in the Stock Exchange of Thailand (SET) on 30 April 1991 under stock symbol “UPOIC” and transformed to public limited company on 28 May 1993. As at 31 December 2023, the Company had the registered and paid-up capital amounting to 324,050,000 Baht with outstanding common shares at 324,050,000 shares (par value of 1 Baht).

1.5 Issuance of Other Securities

1.5.1 Convertible Securities

-----None-----

1.5.2 Debt Securities

-----None-----

1.6 Dividend Policy

With effect from 1993, the Company has a policy of paying approximately 50% of net profit after tax as dividend, subject to prevailing economic situation and capital expenditure requirements.

The Board of Directors resolved to pay dividend for 2023 from the operating result at the rate of 0.30 Baht per share representing 57.27% of net profit after tax, which would be later proposed to AGM for approval, compared with that of previous year at 0.45 Baht per share representing 52.45% of net profit in 2022.

For its subsidiaries and the joint venture, as no dividend payout policy has been determined, dividend is paid based on its financial performance and cash flow.

Dividend Payment



Year	2021	2022	2023
Net Profit Margin (Baht)	0.93	0.98	0.63
Dividend Yield (Baht)	0.50	0.45	0.30
Dividend Payout Ratio (%)	53.79	52.45	52.27

2. Risk Management



2.1 Policy and Risk Management Plan

The Board of Directors appointed the Risk Management Committee in 2016 with responsibilities as defined in the "Corporate Governance" section.

In business operations, the Company often faces challenges arising from risks in managing the primary and support activities, such as production, transportation, and human resource management. Therefore, it is essential to establish systematic risk management policies that align with the Company's objectives, goals, and strategies. This ensures the implementation of practices until the set objectives are achieved. Both management and employees of the Company take ownership of the risks and have the responsibility to assess the risks of each department, evaluate the effectiveness of existing control measures, and propose plans and methods to mitigate the risks.

Operation Risks

Risk - Environment

Wastewater from Production Process

Characteristic and Cause

The Company's production process involves a substantial amount of water, resulting in a significant volume of wastewater. Consequently, effective wastewater management is essential. Additionally, the Company's plantation locates in southern-part of Thailand which experiences continuous rainfall during the raining season. This may be the cause of overflow and leakage of wastewater into public waterways.

Measure

The Company shall monitor the volume of wastewater in a pond, keep the pond in consistently good condition, and assess the areas where wastewater leakage might occur. Therefore, the Company plans to dredge the ponds annually in drought season and set up a system to separate rainwater from wastewater aiming to reduce the volume of water entering the wastewater treatment ponds.

Risk - Social

Labor Shortage

Characteristic and Cause

In present, the expansion of palm oil cultivation has heightened the demand for labor in palm plantation activities. While farmers prefer hiring an external labor instead of relying on household members which young generation receives higher education and prefers employment in the industrial sector. This leads to labor shortage in agricultural sectors which can be more intense when laborers from North-eastern part of Thailand return to their hometown.

Measure

To address the labor shortage in agricultural sectors, the Company implements proper recruitment methods by proving higher wages than the minimum and offering welfare benefits. Additionally, the Company shall be stricter with palm harvesting labor to ensure effective performance, resulting in a higher extraction rate that can offset the higher wages paid to hired labor.

Selling CPO to Major Customer

Characteristic and Cause

In 2022 and 2023, the Company sells CPO to the major customer, namely Lam Soon (Thailand) Plc. (LST), who is the Company's major shareholder, which is account for 68.50 and 43.65 respectively.

Measure

Since June 2022, the Managing Director of the Company and LST have been different person, which implies independent in making transactions.

The management conducts transactions with priority of the Company's maximum benefits. This involves setting the fair price and product quantities to every customer and using the market price at the time of the transaction. Moreover, the Company follows the rules and regulations of SET regarding related transactions and discloses the information of such transaction in item no. 6 of the Notes to financial statement.

Major Shareholder Holds More Than 50% of Paid-up Capital

Characteristic and Cause

The major shareholder of the Company is LST, which currently holds 69.96% of the Company's paid-up capital. This allows the major shareholder to exercise right to object or not approve resolution at the Annual General Meeting on various matters. Such matters refer to one that is stipulated by the Company's articles of association or relevant laws to require a minimum of 3 out of 4 of the total votes of the attending shareholders, who are entitled to vote, must be obtained for the resolution to be approved.

Measure

However, if there is an agenda to propose at the annual general meeting of shareholders, it is required to receive approval from the Board of Directors' meeting first. Three directors of the Company are also directors of Lam Soon (Thailand) PCL. (LST).

FFB Purchase Based on a Minimum Extraction Rate of 18%

According to the announcement of the Ministry of Industry regarding the specification of type and quality of raw materials for palm oil extraction factories B.C. 2019, palm oil extraction mills are required to extract palm oil at a rate higher than 18%, which is an additional condition in the permit for factory operation.

In order to comply with the above announcement, the Company has revised a policy for purchasing FFB by setting prices for purchasing high-quality FFB that comply with the oil extraction rate. The Company selectively buys FFB from external sources and strictly harvests FFB from its own plantations to achieve the increased extraction rate. This includes the improvement of machinery to reduce oil losses during the production process.

However, the oil extraction rate in each month depends on the weather conditions which leading to instances where the Company cannot achieve the extraction rate specified by the government in certain months. In the event of non-compliance, the relevant government agency will issue a notification, and the Company shall submit a plan to achieve the required extraction rate.

2.1.1 Business Risk

Risk - Governance

More than 50% of Oil Palm Planted Areas belong to State Owned Land

Approximately 15,103.69 rai of the Company's palm oil planted areas composed of Khiansa estate 8,588.69 rai and Chaiburi estate 6,515 rai, are held by two subsidiaries which represent 52.8% of the total planted areas of the Company and its subsidiaries.

(a) Khiansa Estate has been given permission from the Treasury Department to lease 4,294.34 rai of the State Property for a period of 30 years from 9 July 2014 to 8 July 2044.

For the other 4,294.34 rai, the Treasury Department will allocate to poor people who own no land at the rate of 10 rai/person. Pending such allocation, the Treasury Department granted the subsidiary to exploit the land and pay the determined rental fee.

(b) Chaiburi Estate is currently under renewal request for a permit to exploit the area of 6,515 rai. In case, Chaiburi cannot get the permit, the Company has to buy a higher proportion of FFB from outside sources and may face increased raw materials cost as a result.

During the consideration period, the subsidiary is granted permission to gather forest product in the National Reserved Forest upon the obligation to pay official royalty fees at the rate of 10% of market price of oil palm and forest maintenance fees at a double rate of the official royalty fee. Permission can be renewed on yearly basis.

Risk - Governance

Excess Capacity of CPO Crushing Mills

At present, there are approximately 128 CPO crushing mills (of which only 108 mills are still in operation), most of which are in Surat Thani, Krabi, Chumphon and Nakhon Si Thammarat provinces, giving FFB processing capacity of 30 – 35 million MT per year. Therefore, there was a mismatch between the processing capacity and FFB output in 2023 at 18.2 million ton from 6.2 million rai of mature growing area. Utilization of milling capacity is around 52-61% leading to competition in purchasing FFB and high prices, irrespective of quality. To address this, the Company closely oversees the plantations, enforcing harvesting practices to increase the extraction rate and yield per rai. Consequently, this practice reduces competition in purchasing low-quality FFB from external sources.

For external palm oil growers, the Company has established a price that aligns with the oil extraction rate. The Company provides an empty fruit bunch as an incentive for growers and offers a special price for those who sell CIRAD to the Company. These measures are implemented to incentivize growers to sell their products to the Company.

Risk -Environment

Climate Change

Because the major raw material of the Company is an agricultural product, its future performance is to a largely dependent on uncontrollable factors such as weather condition, rainfall level, and the quantity of FFB harvested 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.

In the beginning of 2023, the Company experienced drought period during December 2022 to March 2023 which resulted in reduced quantity and distribution of rain. This led to water shortages in seedling nurseries and consumption in some plantations. Consequently, it had a significant impact on our FFB, and there was an easy outbreak of bagworms. As a result, production in the year 2023 decreased by 1.92 percent.

Palm Oil Price Volatility

Being a commodity, the price of CPO is highly volatile. 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 29.74 Baht/Kg. It can be seen that the volatility of local price is low compared to the prices observed in 2022. Additionally, the local price is not significantly different from the global market prices, thereby positively impacting Thailand's export performance.

Nevertheless, apart from weather, there are several factors influencing fluctuation of palm oil prices, such as war, epidemics, and export policies of major producers. These factors have an impact on inventory management and sales.

Reduction in Support of Biodiesel Prices in 2025

The Department of Energy Business has announced the Oil Plan 2023, aiming to reduce the types of oil available at gas stations. It encourages petroleum refineries to adapt by launching new products that align with the Oil Fuel Fund Act, B.E which will cease supporting biofuel prices after September 24, 2024. Furthermore, the plan will start enforcing Euro 5 standards starting January 1, 2024. This will limit the use of biodiesel to B7, resulting the decreased of palm oil used for biodiesel production. Nevertheless, as the consumption of palm oil for biodiesel decreases, exports will rise to balance the palm oil stock. Consequently, domestic palm oil prices will need to undergo adjustments to be more closely with global market prices. The Company may not be affected in terms of FFB from the estates, which cost is lower than outsource FFB.

Emerging Risks

The risk management working team has assessed emerging risks that may occur in the future, using information referenced from The Global Risks Report 2023 by the World Economic Forum. They have presented topics that are relevant to the Company's operations, as follows:



Environmental Aspect

Failure on Cooperation Global Climate Change

The gradual changes in climate conditions due to the El Niño phenomenon may unfold so slowly that the general public may not fully perceive the changes until the year 2024. Temperature may rise, surpassing the record in 2016, which was the hottest year on record during the El Niño period.

In response to these circumstances, some countries begin to stockpile CPO leading to a positive impact on palm oil prices. However, prolonged drought conditions could adversely affect activities that rely on water, such as seedling nurseries, palm oil extraction processes, and water consumption for employee. The Company has conducted a survey of water resources, monitored levels of water for consumption, and prepared a plan to secure alternative water resources. Additionally, there have been efforts to optimize machinery or operational processes to reduce water usage and reuse water.

Economic Aspect

Economic Warfare, Intense Confrontations between Global Superpowers, and Government's Market Intervention

Various situations related to the International Trade Barriers Policy can lead to risk in business operation, such as EU announced the policy to stop using palm oil in transport fuels in 2030. Such policy drives major food and beverage companies to start stockpiling sustainable palm oil, as the major exporter, namely Malaysia, initiates trade with China.

However, Thailand is not a major exporter which will not receive direct impact from the exporting. The Company then must bear the burden of higher prices of FFB from outsources when the CPO's global market price rises. Simultaneously, this situation benefits our own FFB.

Additionally, the Company still needs to monitor the incident related to international Trade Barriers Policy as it can result in risk and opportunity if the Company can adjust and align with prescribed guidelines, such as getting a certificate of standard system that customers require and effective cost control and operation.

2.2.2 The Risk to Securities Investors

-None-

2.2.3 The Risk to Investments in Foreign Securities

-None-

3. Business Sustainability Development



Business Sustainability Development

Scope of Reporting

This report covers the business of crude palm oil (CPO) and crude palm kernel oil (CPKO) extraction between January 1 to December 31, 2023. This report is prepared in accordance with the Sustainable Reporting Standards for listed companies of the Stock Exchange of Thailand (SET Sustainability Reporting Guide).

Nature of Business

The Company, in partnership with CIRAD, is engaged in the production and distribution of palm seedlings. The Company has nurseries and palm plantations in Krabi and Surat Thani provinces. Approximately 20% of the Fresh Fruit Bunch (FFB) is harvested and delivered to the Company's crushing mill. The primary products are CPO and CPKO. Additionally, there are other sources of income derived from by-product of the mill's activity, such as revenue from sales of electricity, empty palm fruit bunches, shells, palm fiber, and decanter cake.

Strategy

The Company stipulates that all operations must adhere to international standards and prioritize sustainability. This covers transparent governance and consistent profits for shareholders. Environmental care is taken into account, aiming to avoid pollution and minimize impacts on stakeholders.

The focus lies in business strategy through building strengths, enabling the Company to achieve its goals. This involves making critical decisions regarding business expansion, integrating technology into operations, resource allocation, and achieving efficiency in cost management. Continuous improvement of production processes is emphasized to ensure both promptness and quality. The Company encourages innovative thinking, embraces change, and pursues continuous development.

Goal

Enhance Your Valuable
Products with Our Sustainable
Palm Oil



Vision

The leading sustainable palm oil business company with operational excellence, international best practices, and world-class competitive strengths.

Mission

- Building capacity in entire palm oil business value chain from seeding, germinating, plantation, palm oil extraction and related business to be competitive and recognizing in the industry.
- Performing the high value palm oil business by focusing on palm oil seed with high yield to fulfill grower requirements of as well as providing the best services.
- Employing advanced technology in production and international management system as well as taking care of the environment, biodiversity, communities, and society.
- Always ensuring the health, safety, and welfare of all employees and building trust and confidence among our customers, grower/suppliers and generating return to shareholders and other stakeholders appropriately.



3.1 Policy and Goals to Attain Sustainability Management

The Company has implemented sustainability policy and goals in alignment with the parent company, Lam Soon (Thailand) Public Company Limited (PLC). In 2023, there was a review of the sustainability policy to enhance its compatibility and suitability with the Company's operational activities. On August 7, 2023, the policy was approved by the Company's Board of Directors.

Sustainability Policy

- Enhance and encourage the organization to international recognition. The Company has actively supported, promoted, and emphasized compliance with laws and international standards both domestically and internationally. This is done to establish a standard for operational practices that respond to being a responsible entity for the government, community, and business partners in terms of respecting and adhering to the law.
- Commit to relationship and engagement building with all stakeholders, as well as promoting economic development for the local community, in order to create sustainable business practices and coexist with the community while minimizing impact.
- Be aware of the expectations and impacts on all stakeholders, including those directly and indirectly affected by the Company's business operations, such as employees, partners, customers, and government agencies.

Therefore, developing and fostering a good relationship between the Company and stakeholders is crucial for the sustainable operation of the Company and to generate benefits for all stakeholders involved.

- Place importance on waste management to create eco-value, emphasize compliance with the Roundtable on Sustainable Palm Oil (RSPO) standard. This is to conserve, restore, protect, and enhance a balanced ecosystem.

✓ Sustainability Highlights in 2023

1

Announcement of Sustainability Policy

The Company has announced the sustainability policy, which was approved by the Company's Board of Directors on August 7, 2023.

2

Appointment of the Sustainability Committee

The Company has appointed the Sustainability Committee, including the approval of its charter, which was approved by the Company's Board of Directors on August 7, 2023

3

Participation in Sustainability Project

- Starting from 2022, the Company initiated participation in the Corporate Sustainability Strategy training program held by the Stock Exchange of Thailand.
- The Company's executives and employees took part in the program to **enhance the quality of sustainability data for the listed company.**
- The Company's employees joined the ESG DNA program to disseminate sustainability knowledge across all units within the Company, ensuring a high level of understanding.

3.2 Impact Management to Stakeholders in the Business Value Chain

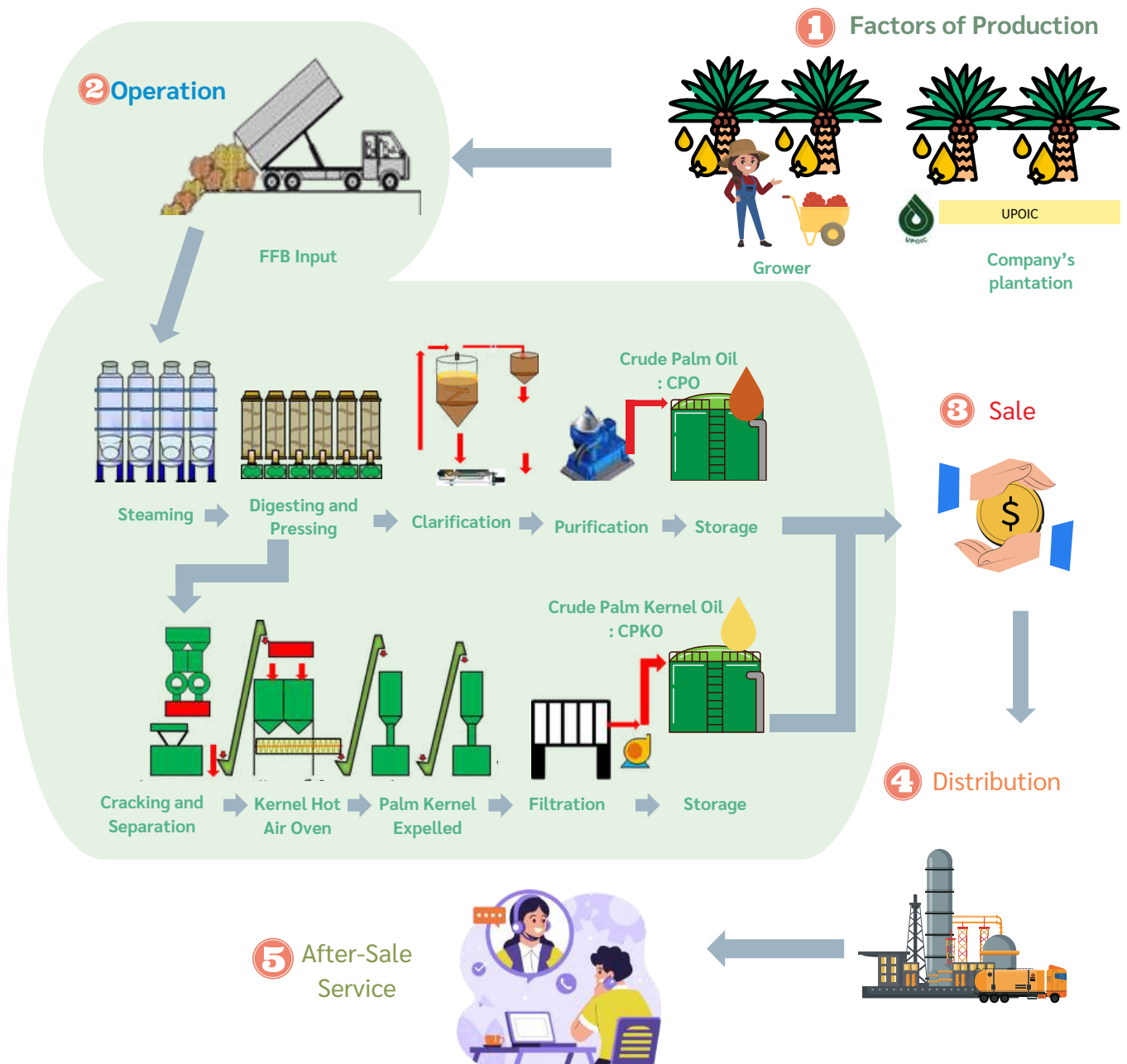
3.2.1 Business Value Chain

The Company oversees ongoing processes involving operations, spanning from the initial stages to the distribution of products to customers. At each stage of the process, which includes both primary and support activities, efforts are made to enhance value with the goal of reducing costs and creating maximum value.

Business Value Chain Assessment

The Company has conducted an analysis and review of the organizational context throughout the supply chain related to both primary and support activities. This analysis involves a comparison with businesses in the same industry to identify sustainability material topics and take all stakeholders' opinions into consideration.

Company Operation Process



Primary Activities

1 Factors of Production

The main raw material of the Company is FFB, with 20% being the production from the Company's plantation. The remaining 80% is purchased from local growers and third-party traders in nearby provinces. The raw material has undergone quality check and verification of the landholding to ensure it does not come from deforestation and adheres to Roundtable on Sustainable Palm Oil (RSPO). Additionally, the Company has a quality control process for purchased FFB, following the agricultural commodity and food standards. Experienced palm graders are employed, and modern technology and machinery, emphasizing efficiency, are utilized for the extraction of CPO. The Company places a strong emphasis on both product quality and safety standards before delivering to customers.

2 Operation

The Company has an efficient CPO extraction process that utilizes resources judiciously, reduces raw material losses, and manages waste from the production process systematically in compliance with the law and environmentally friendly. For instance, reclaiming oil from sludge water and utilizing wastewater from the production process to generate biogas.

The initial step in the CPO extraction process involves taking FFB into a sterilizer process using steam to inhibit enzymes that cause free fatty acids (FFA) and make it easier to separate the palm fruit from the bunch. The obtained palm fruit then undergoes a digesting process to separate a nut. Subsequently, it enters the pressing process until CPO is obtained. The CPO then undergoes a process of clarification, purifying, and drying. Afterward, the CPO is transferred to the storage tank.

For the CPKO, it is derived from the nut that undergoes the processes of rippling and drying before being pressed, resulting in CPKO and palm kernel cake. The obtained CPKO undergoes filtration and separation processes before being transferred to a storage tank.

3 Sales

The Company sells CPO and CPKO to the food industry as raw materials, such as vegetable oil refinery and energy-related businesses, including biodiesel production and animal feed production plants. Additionally, the Company's products, CPO and CPKO, have been certified with Roundtable on Sustainable Palm Oil (RSPO) system. Also, the product's information is presented within the RSPO system to facilitate its traceability.

4 Distribution

The Company has distributed products through third-party transportation services that meet established standards. Agreements have been made to adhere to specified requirements. Additionally, the service provider is required to prepare for immediate inspections upon request from certification bodies. This ensures the safe and timely delivery of products to customers.

5 After-Sale Service

The Company conducts customer satisfaction assessments using questionnaires, aiming to gather feedback and suggestions. This information is then utilized to continuously improve and develop service quality.



Support Activities

Procurement

- The Company conducts procurement with a primary emphasis on usage objective and cost-effectiveness. The focus is on ensuring confidence in product quality or qualifications that align with the intended purpose within the specified price and timeframe.
- The procurement of the Company follows a structured process and involves performance evaluations for efficiency and effectiveness, in line with good governance. Emphasis is placed on environmentally friendly type of product, including compliance with safety standards of such product.
- The procurement activity is carried out transparently, providing equal opportunities for competition among suppliers/contractors.
- The Company has established channels for receiving and addressing complaints or grievances related to procurement operations, with a responsive process in handling such matters. Communication and dissemination of information about these channels are made accessible to employees and stakeholders.

Infrastructure

- The Company prioritizes infrastructure development to ensure sustainability in its business operations. It focuses on alternative energy sources and recycling, such as generating electricity for usage within the Company and implementing a Biogas system using wastewater from the production process. The Company selects suitable fuel and procures water for both production processes and employee consumption. Additionally, we actively participate in the maintenance and repair of public utilities, such as roads, community halls, and temples, in collaboration with the local community.

Technology

- The Company chooses to utilize modern technology that is energy-efficient and environmentally friendly, incorporating it into the entire production process to reduce costs and enhance production efficiency. This also includes providing continuous training and knowledge about these technologies to workforce, aiming to improve skills and ultimately enabling the Company to compete effectively in the same industry.

Human Resource

- The Company places importance on human resource, and the management has a policy aimed at fostering creativity and performance of duty. This includes the ongoing promotion of knowledge within the organization to enhance efficiency and effectiveness in the workplace.
- Employees are aware of and understand workplace safety regulations, contributing to a cautious and vigilant approach while performing their duties. This results in a reduced risks and accidents related to job performance.
- The Company focuses on being an integral part of the community by providing opportunities for employees to participate in various activities with the surrounding community on an ongoing basis. Moreover, the Company is receptive to hearing community concerns, actively engaging in addressing and solving these problems.
- The Company has a policy to support local employment, aiming to create jobs and generate income to stimulate the local economy within the community and nearby areas.



3.2.2 Analysis of Stakeholders in the Business Value Chain




The Company is dedicated to building positive relationships with stakeholders. The Company has a team responsible for communicating with groups or organizations that are affected or have a stake in every activity of the Company. This process includes communication, consultation, listening, and participation to gather information and build relationships, addressing concerns and desires of those stakeholders.

The Company conducted expectation assessments by specifying material topics and evaluating significant impacts, in order to appropriately respond to the expectations of stakeholders. Additionally, the Company has developed response strategies to meet the expectations of stakeholders, reflecting collaboration and value creation.

Examining the Impact of Material Topics

Stakeholders	Expectations	Performance in 2023	Engagement Channels
 Grower / Trader	<ul style="list-style-type: none"> Fair business operations 	<ul style="list-style-type: none"> Weighing platform calibration On-time payment Adhere to regulations and established criteria 	<ul style="list-style-type: none"> Calibration result announcement Sign a contract Verbal or telephone notification
 Supplier / Distributor	<ul style="list-style-type: none"> Fair business operations 	<ul style="list-style-type: none"> On-time payment Clear procurement process Appointment of bidding committee Compliance with regulations and established procurement criteria 	<ul style="list-style-type: none"> Auctioning Sign a contract Verbal or telephone notification
 Competitor	<ul style="list-style-type: none"> Fair business operations 	<ul style="list-style-type: none"> No underselling No customer poaching 	<ul style="list-style-type: none"> Verbal or telephone notification
 Public Agency	<ul style="list-style-type: none"> Law compliance and being able to coexist with the community. Good corporate governance 	<ul style="list-style-type: none"> Regular legal reviews Monitor and audit the law compliance Coordinate consistently No complaints regarding the Company's activities filed by the community Collaborate in various activities held by government agencies 	<ul style="list-style-type: none"> Make a notice Submit documents in accordance with the law, either in hard copy or through the official website of government agencies Contact through the official contact channels Participate in activities organized by government agencies
 Employee	<ul style="list-style-type: none"> Excellent compensation and benefits Compliance with human rights principles and labor laws Good and safe working environment Stability and progress at work 	<ul style="list-style-type: none"> Pay compensation and benefits equal to or better than the legal requirements Monitor or inspect to ensure a safe working environment Listen to employee feedback Organize activities to promote good relationships among employees 	<ul style="list-style-type: none"> Complaints management unit or direct report to the management Hold meeting of employee Communicate through telephone or Line Participate in activities together Conduct an employee's interview or surveys

Examining the Impact of Material Topics (Cont.)

Stakeholders	Expectations	Performance in 2023	Engagement Channels
 <p>Community/ community leaders/local organizations</p>	<ul style="list-style-type: none"> • Employ people from the local area • Operate business that has no impact on the community, such as causing pollution or damaging roads • Provide assistance to the community 	<ul style="list-style-type: none"> • Prioritize job applications from local residents. • Monitor or inspect to ensure compliance with the law • Manage and oversee to avoid emergencies • Use machinery or donate money to help the community • Organize activities to promote good relationships between the Company and the community, such as CSR (Corporate Social Responsibility) 	<ul style="list-style-type: none"> • Notification through local employees • Participate in activities together. • Communicate through telephone or Line • To arrange a meeting or hold a conversation
 <p>Customer</p>	<ul style="list-style-type: none"> • Quality products and on-time delivery • Convenient purchasing process • Be able to claim if the product fails to meet the terms of the agreement • Excellent service 	<ul style="list-style-type: none"> • Standardized trading process • Listen to customer feedback • Provide claims service for products fails to meet the terms of the agreement 	<ul style="list-style-type: none"> • Customer satisfactions survey • Complaints management unit
 <p>Shareholder</p>	<ul style="list-style-type: none"> • Consistent dividends payments • Stable business • Operate transparently following corporate governance principles 	<ul style="list-style-type: none"> • Aim to create good performance. • Engage with shareholders • Accurate, timely, and comprehensive report of operational results or internal audits 	<ul style="list-style-type: none"> • Annual General Meeting • Investor Relations • Notification through letters • Opportunity Day • Announcement on the Company or Stock Exchange of Thailand's websites



Materiality Assessment



The identification and ranking of sustainability material topic and data collection on both positive and negative impacts towards stakeholders are crucial steps in prioritizing the importance of material topics. This is because these steps have an impact on the decision-making process in the Company's operations:








- Establish criteria for selecting sustainability material topics.
- Review sustainability material topics in line with global trends and compare them across agricultural business sector in terms of environmental, social, and governance aspects and expert opinions. Subsequently, scores obtained from stakeholder surveys and assessment of the management, such scores combine with the Company's impact scores resulting in ranking of the material topics.
- Present the sustainability material topics to the management to examine the alignment of the assessment results with the context, goals, strategies, and risk management system of the Company.
- Organize the material topics into groups and specify the details of content for reporting on each topic.
- Present the results of prioritizing sustainability material topics for management approval.
- The Company has a plan to review material topics annually with the Sustainability Committee to align with the management and global situation.









The ranking of the importance of sustainability material topic obtained from the assessment.



- The 15 material topics have been incorporated into a project, established objectives and goals, and set performance indicators for measuring operational outcomes. These material topics have been categorized into three dimensions: environmental, social, and governance.

- The 15 material topics have various impacts on the business and stakeholders. This enables the Company to implement various measures or projects to respond to needs and expectations of stakeholders, as follows:

Material Topic	Impact on Business	Impact on Stakeholder
1  Water and waste water management	<ul style="list-style-type: none"> Sufficient water for business operation during dry season. Optimize the use of water to maximize its benefits. 	<ul style="list-style-type: none"> Reduce competition with local communities for water. No leakage of wastewater into canals. Build confidence and good relationships with the surrounding community.
2  Business ethics	<ul style="list-style-type: none"> Reputable for adhering to relevant laws, regulations, and rules. 	<ul style="list-style-type: none"> Lead to adverse consequences for shareholders. Inspection by the public agency.
3  Energy-efficient management	<ul style="list-style-type: none"> Capable of controlling costs in business operations. Compliance with laws and standard systems under which the Company operates. 	<ul style="list-style-type: none"> Reduce the burden on the government in supplying electricity.
4  Occupational health and safety	<ul style="list-style-type: none"> Compensation payments in the case of property and personnel loss. Unfavorable corporate image. 	<ul style="list-style-type: none"> Loss of a family member. Strengthen scrutiny in business inspections conducted public agency.
5  Community engagement and development	<ul style="list-style-type: none"> Complaints from the nearby community in case of violations or actions contrary to the law. Smooth business operation. 	<ul style="list-style-type: none"> The community is developed and supported through organized activities aimed at fostering a positive relationship between the Company and the community. Create employment opportunities for individuals in the community.
6  Employee welfare, training and development	<ul style="list-style-type: none"> Employees possess skills and abilities, enabling them to perform their duties to the fullest. Create motivation and retain talented individuals, ensuring workforce stability. No conflicts with employees. 	<ul style="list-style-type: none"> Fair treatment without discrimination toward employees. Skill development of employees to perform their job. No inspections conducted by regulatory agency.
7  Good corporate governance	<ul style="list-style-type: none"> Ensure appropriate and efficient operations of the Company. Adhere to corporate governance policy to ensure alignment and consistency in the Company's practices, moving in the same direction. 	<ul style="list-style-type: none"> Build confidence in stakeholders towards the management and corporate governance of the Company. Good returns from a stable and growing business.

Material topic	Impact on business	Impact on stakeholder
8  Risk management	<ul style="list-style-type: none"> • Aware of opportunities and threats • Minimize potential losses. • Adapt to changes promptly. 	<ul style="list-style-type: none"> • Shareholders are impacted by the Company's performance when its risk management is ineffective.
9  Human rights and labour treatment	<ul style="list-style-type: none"> • Create a positive corporate image. • Not liable to fines or charge for actions pertaining to labor disputes. 	<ul style="list-style-type: none"> • Treat employees in accordance with labor laws and human rights principles. • Strengthen scrutiny in business inspections conducted by public agency.
10  Supply chain management	<ul style="list-style-type: none"> • Create a positive corporate image. • Build good relationships with business partners. • Mitigate the risk of business interruption due to economic, social, and environmental impacts. 	<ul style="list-style-type: none"> • Meet the needs of customers who require products with sustainability-related standard systems.
11  Circular economy	<ul style="list-style-type: none"> • Address issues related to the Company's industrial waste. • Provide a channel for alternative income generation. 	<ul style="list-style-type: none"> • Act in accordance with applicable laws and avoid raising concerns with regulatory agency • Create long-term value for the organization.
12  Customer relationship management	<ul style="list-style-type: none"> • Build good relationships between the Company and customers. • Create long-term value for the organization. 	<ul style="list-style-type: none"> • Have the product and service fulfill the expectations. • Complaints regarding products or services are promptly addressed.
13  Product stewardship	<ul style="list-style-type: none"> • Create a positive corporate image. • Strategic in business competition. 	<ul style="list-style-type: none"> • Build confidence in consumers or customers.
14  Greenhouse gas reduction	<ul style="list-style-type: none"> • Create a positive corporate image. • Reduction of operational cost. 	<ul style="list-style-type: none"> • Align with the practices outlined in the United Nations Framework Convention on Climate Change. • Reduce environmental impact.
15  Biodiversity	<ul style="list-style-type: none"> • Align with the standard systems that the company operates under. 	<ul style="list-style-type: none"> • Meet the needs of customers who require products with sustainability-related standard systems.

Environment

In the process of extracting crude palm oil (CPO) and crude palm kernel oil (CPKO), various types of waste are generated, such as wastewater, empty palm fruit bunches, decanter cake and shells. Therefore, utilizing these wastes to the maximum extent possible is part of addressing pollution issues from industrial waste, adds value to the business and helps mitigate environmental issues in the nearby communities.

"Enhance the waste management system to create environmental value."



3.3 Sustainability Management in The Environmental Dimension

3.3.1 Policy and Guideline

The nature of the CPO and CPKO extraction business, which processes palm fruit into the production process, ensures that no chemicals or inhalant are used. Therefore, it is assured that by-products from the production process, such as empty bunch, fiber and decanter cake, will not be contaminated with the chemicals. However, there will be the release of pollutants on three fronts, namely water pollution, such as wastewater from the production process and steam from the boiler; noise pollution, such as machinery noise; and air pollution, such as dust and gases from the burning of biomass. Additionally, there is pollution from hazardous industrial waste, such as used lubricating oil and chemical containers.

Therefore, the release of such pollutants into the environment must be approached with awareness, vigilant monitoring, control, and operational measures that comply with established standards and legal requirements. This includes activities such as monitoring noise levels, measuring particulate matter and gases from combustion processes.

GUIDELINE

- Plant oil palm without deforestation, burning areas, peatland encroachment, and animal hunting. Care for biodiversity, greenhouse gas reduction and conserve headwater and surface water. Also, stop using nationally and internationally banned chemicals.
- Reduce pollution, enhance the value of waste through an Eco-Circular Economy, and decrease greenhouse gas emissions. Maximize the utilization of waste generated in the operational processes to derive optimal benefits, aspiring to transform into a zero-waste business.
- Regularly observe, monitor, and follow up the environmental impacts, including water, air, and industrial waste to comply with the law and avoid causing impacts to the community.
- Control the resources, such as water supply, electricity, heat energy, and fossil fuel, and make efficient use of them.



Operational Performance

Complaints or Violations of law

The Company has been closely monitoring and intensifying its impact assessment, resulting in no environmental impact or complaints from the community in 2023.

Reducing Pollution and Adding Value to Waste

The Company focuses on five material topics: water and wastewater management, energy-efficient management, circular economy, greenhouse gas reduction, and biodiversity.

Water and Wastewater Management



The Company uses surface water from public canal for the CPO extraction process. Therefore, the appropriate water management is necessary to control resource usage and avoid causing shortages or competing with local communities for water. The Company has processes to maximize the benefits and reserve water for necessary use, such as recycling, careful monitoring to prevent leakage and regular inspections for abnormal water consumption. Additionally, the Company has prepared and ensured an adequate water supply during dry season, reduced and controlled water usage in the production process.

In this regard, the quantity of raw materials entering the crushing mill is a critical factor influencing the amount of water used in the production process and the generation of wastewater from the extraction process. Proper management of the daily wastewater volume generated during production is essential. Additionally, the Company has employed practices to recycle and benefit wastewater by using it to produce biogas, generating electricity. This not only contributes to revenue but also helps mitigate the risk of leakage into the public canals, such as wastewater overflow, particularly during the rainy season.

Outlined activities include:

1. Expand water reserve areas for use during drought periods.
2. Survey locations for leak of water and wastewater.
3. Excavate the dregs from wastewater ponds to increase water storage capacity.
4. Reinforce the ponds to prevent water overflow.
5. Regularly inspect and survey wastewater ponds.
6. Separate rainwater from production wastewater.

The Company has set the primary goal of controlling the water consumption per FFB to be appropriately reduced in line with the production process, aiming to save costs in production. The success factors for the water and wastewater management project include improving production processes to reduce water usage, inspecting leaks of both water and wastewater, and utilizing treated wastewater in the biogas fermentation process. This is a way of deriving benefits from waste and reducing the burden on wastewater treatment ponds.

Operational Performance



New water pond in the plantation



Increase the water reserve capacity

To address the water shortage situation for the Company's activities and employees, the Company has prepared additional ponds and increased the existing ones' capacity to ensure an adequate supply during dry season, resulting in a 23.52% increase in the water reserve capacity.

Expand the existing pond



Water pond for nursery



No chemical use in riparian zone



Maintain natural water sources near the Company's area

The Company has established practices regarding caring for natural water sources within or near its area, such as inspecting and managing riparian zones. Clear boundaries are defined for riparian zones to prevent the use of fertilizers, organic waste and chemicals in such areas where palm trees are planted. Additionally, there is ongoing monitoring with monthly checks of the water quality in the canals that flow through the Company's mill to ensure that stakeholders are not affected.

Set the area of the riparian zone



Collect sample of the surface water for water quality tested



Improve the wastewater treatment ponds' system

The Company has backhoes, to dig and maintain wastewater ponds. Additionally, they have undertaken efforts to improve the wastewater treatment pond system to keep it in consistently good condition. In 2023, the Company conducted excavation of wastewater ponds during the dry season in the mill area. This included reinforcing the pond to ensure rainwater and wastewater has been separated. These measures aim to reduce the volume of water entering the wastewater ponds and mitigate issues related to wastewater overflow into public canals.

Strengthen pond edge



Excavate wastewater pond



Make a water gate



Energy-efficient Management

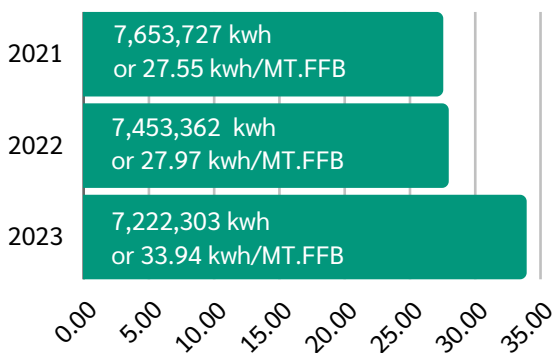
The Company is conscious of the value of energy and operates with a focus on maximizing its benefits. This includes advocating for the efficient use of energy, implementing energy conservation projects, and converting waste from the production process into alternative energy for use in the mill. These efforts result in various benefits for the Company, such as addressing waste accumulation issues, reducing energy costs, and ensuring efficient use of energy in the production process. Moreover, it contributes to easing the government's burden in supplying electricity and positively impacting the Company's overall performance in each year.

In this regard, the Company has implemented energy conservation projects in accordance with the Energy Conservation Promotion Act B.E. 2535 (1992), (revision in 2007), including requirements related to resource management for maximizing benefits under environment aspect of the Roundtable on Sustainable Palm Oil (RSPO). This involves the improvement or modification of machinery used in the production process, as well as upgrading production processes to achieve energy savings. Examples include fixing steam leaks from the boiler during the annual major maintenance period and installing a power transmission system from the biogas production. The goal is to reduce the cost of electricity used in the production per FFB. However, it is important to note that the production capacity and the ability to generate electricity depend on the quantity of FFB entering the mill. Therefore, the fluctuation in the quantity of FFB each season affects the electricity production and energy efficiency.

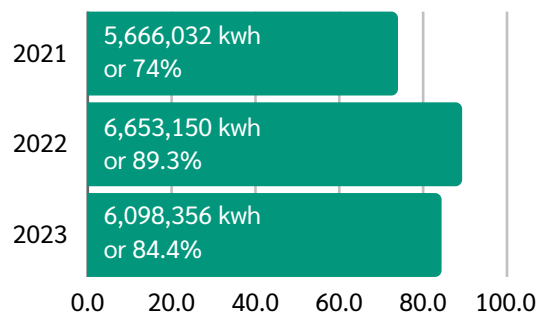


Operational Performance

Energy consumption in production process



Renewable energy consumption

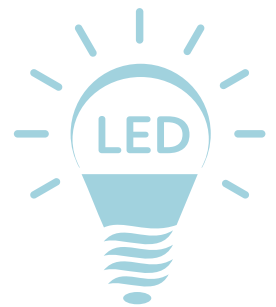




ENERGY CONSERVATION PROJECT IN 2023

Replace light bulbs with LED and install a Solar Cell system for energy conservation

The Company has both pedestrian and common areas in the mill and employee accommodations. Therefore, it is imperative to implement a sufficient and comprehensive lighting system to ensure the safety of individuals and property. In order to save energy used in these activities, the Company has gradually replaced fluorescent bulbs with LED bulbs and installed solar panels. This initiative begun in the mill and employee accommodations since 2021 and has since been completed in all areas. There are plans to expand this project to the Company's nursery and plantations.



Install a power transmission system to utilize the generated electricity as an alternative to procuring power from external sources

The Company has invested in installing a high-voltage power transmission system at 33 kilovolts and a transformer with a capacity of 1,250 kilovolt-amperes, amounting to a total of 2.9 million baht. This initiative aims to utilize the electricity generated from the bio-gas power production unit, connecting it to the electricity supply system used in the CPO extraction process. The goal is to replace the purchase of electricity from external sources (PEA) and improving cost different between buying and selling electricity. The project was completed around October 2023, allowing the Company to reduce external electricity purchases.



Circular Economy

The factors that contribute to success are the maintenance of machinery used in the electricity production process to ensure efficient operation. This includes monitoring the quantity of waste generated, especially during the production season, in order to manage and utilize the waste for maximum benefit.

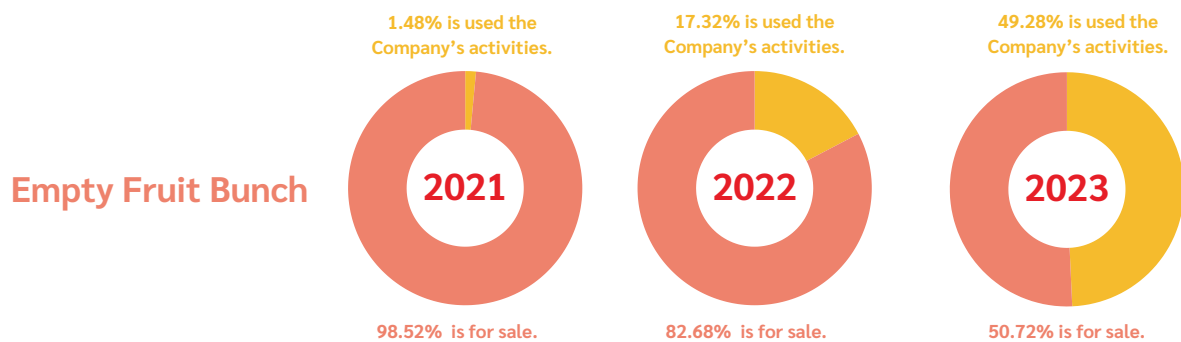
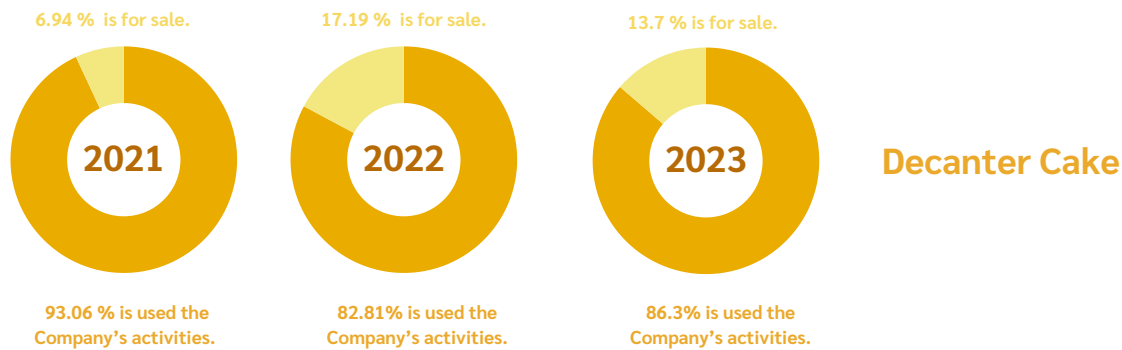
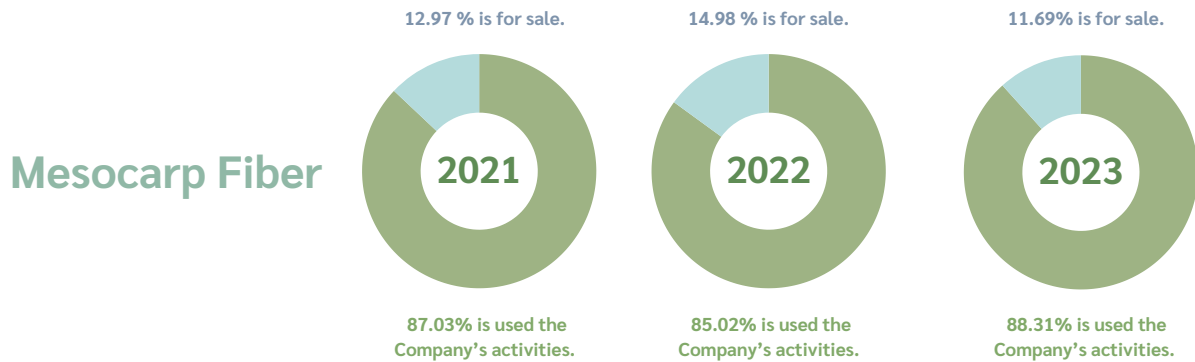
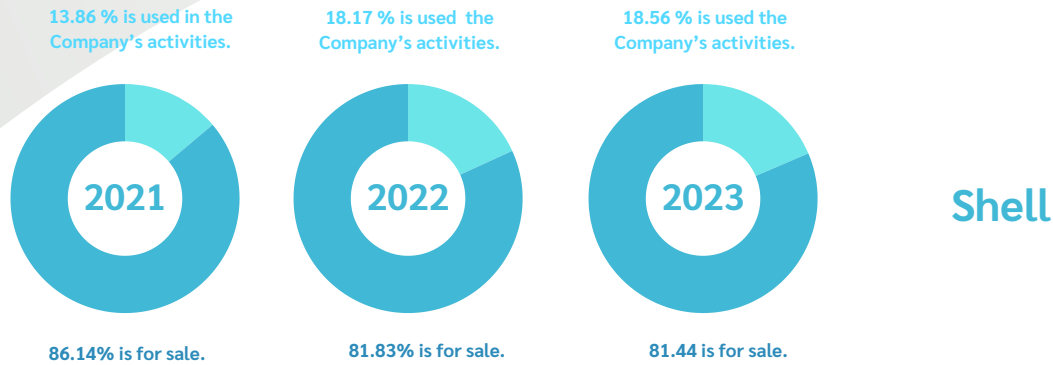
In general, each year, the mill generates a significant amount of waste from the production process, including plant parts and soil residues from palm fruits. To adhere to the waste management regulations set by the Ministry of Industry in 2023 and meet the environmental requirements of the RSPO, the Company has established practices to recycle waste or by-products from the production process for maximum value. These practices not only help reduce production costs and generate additional income but also minimize environmental impact. Additionally, they lower the risk of waste leakage from the production process into canals, thereby mitigating potential problems in nearby communities.

The main activities that utilize waste for benefits include generating electricity from biogas and biomass for internal use within the Company's facilities. The surplus electricity is supplied to the Provincial Electricity Authority (PEA) to generate additional income. Additionally, the empty fruit bunches are used in the plantations, and the remaining portion is sold to growers. The fiber is utilized as fuel for the boiler, producing steam that is fed into the power generator to generate electricity for the production process. Shell, decanter cake, and compost are used in palm oil nursery, and any remaining shell from the Company's activities are sold to other biomass power plants.



Operational Performance

"The quantity of non-hazardous waste generated during the production process utilized in the Company's activities."



Organic Fertilizer Project



In the CPO extraction process, various non-hazardous wastes are generated from clarification, purifying, or separation processes. These are mainly components of palm fruits that cannot be further processed, such as empty fruit bunch and decanter cake. However, these can be used as raw materials for composting to create organic fertilizers, which benefit the Company's plantations. They contain essential minerals for plants and are free from any harmful chemical residues resulting from the production process. This is because the extraction process uses only mechanical force and water as a solvent, ensuring that no harmful chemicals linger in the waste.

In 2023, the organic fertilizers were utilized in various activities of the Company's plantations, totaling 4,710.25 tons.

Furthermore, in 2023, the Company utilized sediment obtained from excavating wastewater treatment ponds in the composting process with empty bunches and decanter cake according to the steps and procedures of organic fertilizer fermentation. The produced organic fertilizer is then used to benefit the Company's plantations and durian orchards, enhancing organic matter and rejuvenating soil conditions that have been subjected to chemical fertilization for an extended period. Importantly, the use of organic fertilizer in palm nursery contributes to the healthy growth and development of the palm seedlings.



Greenhouse Gas Reduction

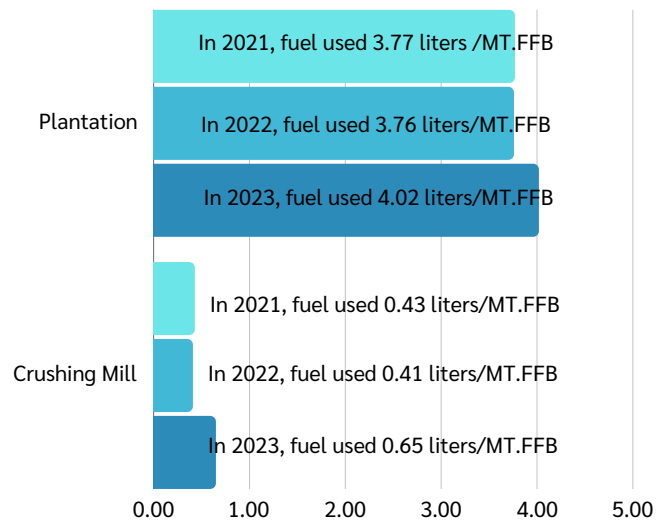
A significant source of greenhouse gas in the Company's operations is a fuel used in trucks transporting FFB from the plantation to the crushing mill. This includes the use of loader to grade the FFB, fueling boilers, and transporting waste to the plantation or selling to customers. Therefore, controlling fuel consumption, regularly inspecting vehicles used in various activities, and establishing efficient operational protocols contribute to cost reduction and effectively mitigate the environmental impact by reducing the generation of greenhouse gas emissions.



Operational Performance



Total Fuel Consumption



However, in 2023, the Company's total fuel consumption has increased compared to the previous year due to the implementation of support activities aimed at mitigating risks and addressing environmental issues. These activities include digging and expanding water reservoir ponds, evacuating wastewater treatment ponds, and leveling land for a new nursery.

The Company has plans to report scope 3 greenhouse gas emissions in the future. The Company is currently in the process of hiring verification body from the Thailand Greenhouse Gas Management Organization (TGO) as an internal auditor by 2024. This is to enable the Company to report the amount of scope 3 greenhouse gas emissions by 2025.

Sustainable Vehicle Usage Management

The Company's core activities necessitate the use of vehicles, such as transporting FFB from the plantation to the crushing mill, the quality-checking process, raw material and fuel input into the production process, and waste management. Therefore, sustainable vehicle usage management is crucial for the Company's operations to enhance vehicle utilization efficiency, reduce unnecessary usage, minimize fuel consumption, and related costs.

Regularly Inspect the Condition of Vehicles

The Company has conducted regular inspections and maintenance planning for its vehicles by consistently checking the engine, tires, and engine oil to keep them in optimal working condition. This is done to ensure that fuel efficiency remains within normal standards, extend the engine's lifespan, and reduce pollutant emissions throughout the operational life of the vehicles. Additionally, the Company incorporates the strategy of purchasing new vehicles to replace aging ones.



Reduce Fuel Consumption

The Company has implemented a GPS system to monitor and track the usage of its vehicles. This system processes data from the received database and generates reports for the management to inspect and track vehicle usage. The GPS system can be configured to provide real-time monitoring and tracking of each vehicle, displaying the data in real-time.

Moreover, the Company can monitor driving behavior and vehicle usage that leads to unnecessary fuel consumption, such as driving outside the designated routes, idling with the engine running, and exceeding the legal speed limit. This information will be used to improve and rectify inappropriate driving behaviors, ensuring energy efficiency and effectiveness.



Biodiversity

The Company supports sustainable palm cultivation by initiating a process to verify the title deeds and geographical coordinates of the oil palm plantations belonging to growers who supply their palm fruits to the Company. This involves visiting a plantation area of the growers and conducting annual reviews of their information. These processes ensure that the FFB originates from legitimate agricultural areas and do not encroach into forested areas.

Furthermore, the Company has set a goal to increase productivity from growers who cultivate palm in the traceable areas. To incentivize these growers to sell their FFB to the Company, the Company provides support and offers increased prices compared to the market prices for growers who consistently deliver high-quality FFB. This support extends to providing them incentives such as offering empty fruit bunches. Purchasing FFB that the quality aligns with the extraction rate of the mill reduces the cost of CPO and minimizes the use of various resources in the production process, including water, electricity, and fuel.

Operational Performance



In 2023,

38.34 percent

of raw material are traceable.

- 25.01% in 2021 and 28.66% in 2022.



Green Palm

The Company has established operating procedures that comply with the requirements of the RSPO. This includes the verification of title deeds and geographical coordinates of oil palm plantations owned by growers who supply FFB to the Company. This involves visiting the plantation areas of the growers. The relevant information is recorded and reviewed annually by the certification body of the RSPO system.

However, the Company faces limitations in verifying grower who sell FFB to third-party traders that subsequently supply them to the Company. Therefore, the Company aims to increase the proportion of FFB sourced directly from its own plantations and individual growers, comparing to the total quantity of FFB entering the production process.

Regarding the Company's plantations, standards have been established for harvesting FFB to ensure high-quality material. The Company has implemented incentives based on the quality of FFB as a motivation for employees and provides training to enhance their knowledge.

For growers, the Company has implemented a policy to support them by encouraging the delivery of high-quality FFB, setting prices based on the quality, and offering empty fruit bunches to those who supply FFB to the Company. Additionally, the Company ensures timely payment to growers.





Social

The Company's plantations and crushing mill are located near a community. The Company and the community are considered as mutual neighbors. Since the Company's activities may have direct and indirect impacts on the community, gaining acceptance and approval from the community and local public agencies is a crucial factor for the success of the Company's operations. This mutual understanding contributes to the smooth operation of the Company.

This includes creating and enhancing the quality of life for people in the community. It involves promoting local economic growth through employment and the procurement of local raw material. Additionally, it encompasses supporting community initiatives and participating in various activities organized by the community and public agency. This is aimed at developing positive relationships and trust between the Company and third-party agency, leading to sustainable value creation for both the business and society.

"Commit to building relationships and engagement with all stakeholders."

3.4 Sustainability Management in Social Dimensions

3.4.1 Policy and Guideline

Being mindful of the expectations and impacts on all stakeholders, whether they are closely associated with the Company and directly benefit or affected by its business activities (such as employees, business partners and customers), or those indirectly connected to the Company who receive benefits or experience indirect impacts (such as public agency).

Therefore, to develop and foster a good relationship between the Company and its stakeholders, especially those directly impacted by the Company's activities, may help enhance the Company's operations and provide benefits to stakeholders. Additionally, in dealing with competitors, the Company has established a policy, which involves conducting business within the framework of fair competition, transparency, non-exploitation, and refraining from seeking confidential information from competitors through unethical or inappropriate means. This includes actions such as paying wages to competitors' employees. Furthermore, the Company commits to not damaging the reputation of competitors.

GUIDELINE

- Provide opportunities and channels for stakeholders to share and listen to the opinions and needs of others, as well as to discuss urgent issues.
- Address influential issues that can raise expectations towards business covering economic, social, and environmental perspective.
- Form international practices in human and labor rights, such as equality and non-discrimination.
- Promote good relationships by engaging and participating in activities with all stakeholders.

“The Company's goal is to operate business without creating adverse impacts on any stakeholder group, promote economic development for the local community, actively participate as an integral part of the community, and consistently provide shareholders with confidence in stability and sustained good performance.”



Operational Performance



In 2023, there were no incidents of human rights violations, labor disputes, and disputes with business competitors.

Community Engagement and Development

The Company is committed to being a part of community development and support, aiming to foster good relationships between the Company and the community. This can be achieved by actively participating in various activities held by the community. The Company has planned and implemented community development projects annually, including offering Nile Tilapia to generate income for the local residents and releasing herbivorous fish into the community's natural water sources to establish a sustainable ecosystem. The Company also engages in local traditions, festivals, and supports the improvement of public amenities for the benefit of the community and relevant local public agency.

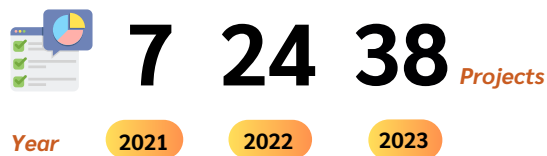
In addition, the Company has prioritized hiring local people to support the local economy and serve as a communication channel with the community.

The Company has consistently supported community development projects each year, with the expectation that these initiatives will be beneficial in creating jobs, promoting livelihoods, and improving the quality of life for the local residents. Indicators for these projects are outlined as follows:

1. Number of projects per year according to the Corporate Social Responsibility (CSR) plan.
2. Number of complaints from the community.
3. Number of employees who are local residents.

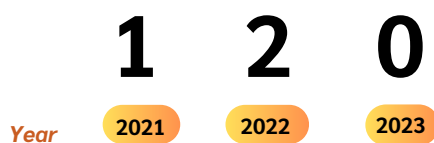
Operational Performance

Projects/CSR /Activities Held by the Community

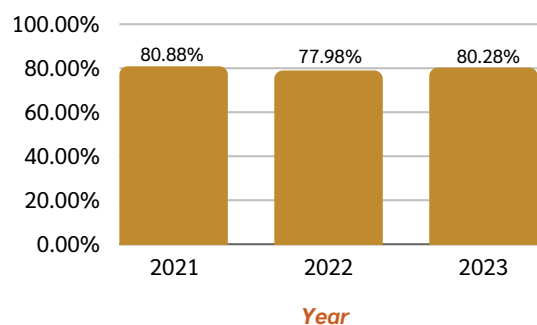


Complaints from the Community

The goal is to have 0 complaint from the community.



Local Employment



Corporate Social Responsibility (CSR)

Release fish into natural water sources and offer the residents fish to create livelihoods.



In 2023,

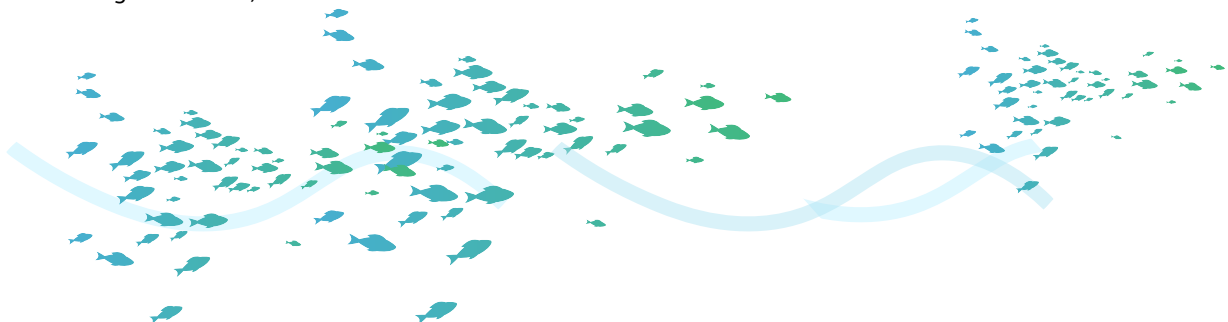
Number of fish released into natural water sources.

150,000

Number of fish provided to residents to create livelihoods.

150,000

The Company has collaborated with community leaders and residents to release herbivorous fish and provide fish to residents, to promote livelihoods and become a source of food for the entire community. This initiative covers three areas in the Krabi province: (1) Huai Kram Temple reservoir in Huai Yung sub-district, (2) Huay Nam Ron reservoir in Huai Yung sub-district, and (3) Huai Phlu reservoir in Khao Phanom sub-district.



Corporate Social Responsibility

Clean the Public Road in Front of the Crushing Mill

On April 11, 2023, the Company organized the public road cleaning activity on Highway No. 4037 near the crushing mill. This was done to ensure safety for vehicle during the Songkran festival. The activity received cooperation from the Khao Phanom Highway District in facilitating and managing traffic during the event.

Participate in 7-a-side Football Competition

On May 1-2, 2023, The Company participated in a 7-a-side football competition in celebration of National Labor Day, organized by the Krabi Labor Protection and Welfare Office. This activity aimed to promote the health and well-being of the employees and utilize leisure time beneficially. The Company provided drinking water, energy drinks, cooling towels, and money to the employees, fostering encouragement and support for the event. As a result, the Company achieved the 3rd place in the competition.

Participate in Activities with Huai Kram Temple

On May 3-4, 2023, the Company approved the budget for the construction of concrete roads within Huai Kram Temple. This initiative aimed to enhance convenience and safety for residents within the community when using the roads within the temple.

On May 12-15, 2023, the Company supported two backhoes and drivers to excavate a water storage pond and modify the area inside the temple, aiming to enhance the utility.

On June 23, 2023, the Company, in collaboration with the Krabi Provincial Industry Office and community leaders under the Volunteer to Preserve Religious Sites project, conducted an inspection of the electrical and lighting systems inside the temple, identifying unsafe or deteriorated conditions. The Company procured and repaired the systems to ensure they are in good condition.



Occupational Health and Safety

The Company is committed to ensuring that all activities and work are carried out in a safe environment, with the aim of preventing accident and occupational disease. To achieve this, the Company has supported training and provided knowledge to employees and relevant personnel to raise awareness of the importance of safe work practices (refer to page no. 59: Employee welfare, training and development). For instance, activities organized to promote the well-being of employees encompass the inspection, correction, and improvement of the work environment to ensure safety and suitability for work. Additionally, the company has encouraged feedback, incident reporting, and the identification of risks in work practices from employees. This is aimed at empowering employees to express themselves, fostering a positive attitude towards safety at work, and eventually making safe work practices a habitual part of their routine.

Therefore, to achieve the goal of zero accident and occupational disease, employees must be conscious and cooperate with the Company by adhering to established work procedures. Additionally, the Company has provided necessary equipment and tools to employees based on the risks associated with their job nature. Regular inspections of the work environment are conducted to ensure ongoing safety. Besides, the company organizes training sessions to impart knowledge to employees about the proper use of equipment and correct work procedures, particularly those associated with inherent risks.

Goals

Zero Accident
Zero Occupational Disease



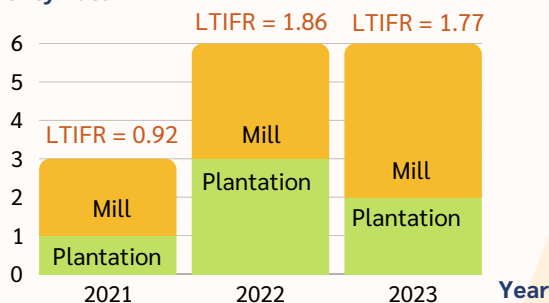
Operational Performance



From 2008 until the present, there has been an observed trend indicating a decrease in both the number and severity of accidents. In 2023, there were six accidents, with only three cases requiring a medical certificate for work cessation exceeding three days.

Accident Record

Frequency Rate



**Lost Time Injury Frequency Rate : LTIFR
@ 200,000 working hour

Occupational Disease

No occupational diseases were found between 2021 and 2023.

Inspect the Safety and Environmental Aspects

The Company has conducted environmental inspections in the workplace according to engineering safety standards or relevant regulations to comply with both safety and environmental laws. This includes particular attention to machinery with high risks, such as boilers, pressure vessel, electrical systems, fire hydrant systems, and maintenance of high-voltage electrical systems.



Measures for Occupational Disease Monitoring and Health Promotion

The Company has a plan to monitor occupational disease, which includes pre-employment medical examination and annual health check-ups. These check-ups cover the items required by the law, as well as factors associated with workplace risk that could impact the health of employees. This includes screening for Cholinesterase exposures for employees working with pesticides, electrocardiograms every two years for employees under 40 years old, as well as annual electrocardiograms and liver cancer screenings for employees aged 40 and above. Additionally, there are guidelines for registering pregnant female employees to avoid exposure to chemicals and heavy lifting. Furthermore, the Company organizes an activity to promote health.

Health Check Up



In 2023, the results of the annual health check-ups revealed that many employees were overweight and had high blood pressure. Therefore, health monitoring activities for employees were organized, with a particular focus on those under 30 years old displaying health risk factors. They were encouraged to participate in a program to change their dietary habits and engage in physical exercise. From this program, a noticeable reduction in health risk factors among the participants was observed. For example, blood pressure returned to normal, weight decreased, and they experienced less fatigue. Additionally, the success of the program was communicated within the organization to inspire other employees to prioritize their health.

Employee Welfare, Training and Development

The Company places importance on its employees, considering them valuable resources that enable the organization to progress towards the defined goals. Therefore, the Company provides employees welfare and development, employing efficient human resource management to ensure that employees gain knowledge, experience, and can perform their duties effectively and efficiently. This approach aims to reduce employee turnover rates.

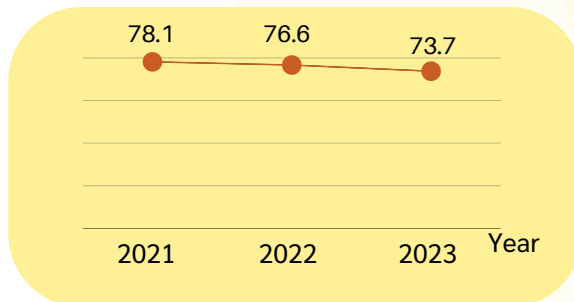
Moreover, the presence of skilled personnel contributes significantly to the Company's enhanced productivity and reduction of losses from the production process. This aids in the reduction of expenses associated with employees, including overtime costs, a decrease in the required workforce, and related welfare expenses.

The Company has implemented an employee development and engagement project by establishing performance indicators and setting goals according to those indicators. This encompasses reviewing salary structures to make them appropriate and competitive in the labor market. Training programs have been organized to enhance the knowledge and skills of employees. The Company also emphasizes communication and actively listens to employee complaints, in addition to organizing labor-relations activities such as a New Year party and annual company blessing ceremony to foster a strong bond between the organization and the employees.

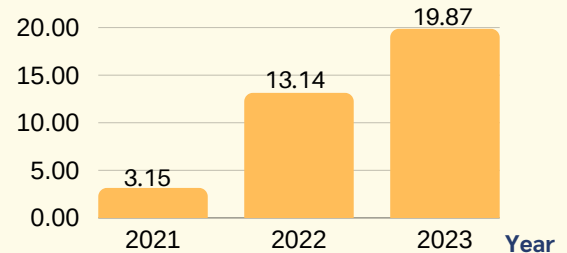


Operational Performance

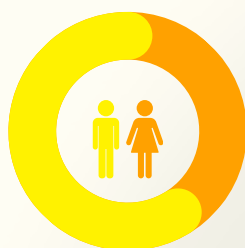
Remuneration (Unit: ten million baht)



Employee's Average Training Hour

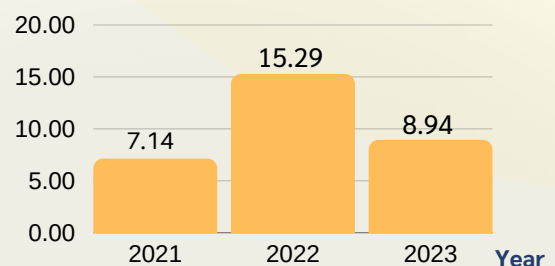


The Ratio of Gender Pay Gap



1:1.1

Turn Over Rate



Equitable Remuneration

The Company has a policy of providing fair and lawful remuneration to employees, encompassing both monetary and non-monetary remuneration. Examples of monetary remuneration include salary, overtime pay, job position allowances, and fuel allowances. This also includes annual salary adjustments based on the business sector, contributions to the provident fund, social security contributions, as well as healthcare benefits and dental care coverage. Non-monetary benefits include amenities such as coffee corners for employees and organizing New Year's activity.

In this regard, the Company's remuneration policy, which complies with the law, shall be sufficient and appropriate for employees to sustain their livelihoods. This is designed to create motivation among employees. The Company conducts performance evaluations and job grading for every position within the organization to allocate job difficulty appropriately and as fairly as possible. This includes conducting fair and appropriate annual performance assessments, ensuring that employees are treated fairly. The Company has established a performance evaluation system with clear criteria and Key Performance Indicators (KPIs) for each job position based on job competency.



Education Promotion

The Company acknowledges the significance of education, recognizing that individuals, particularly young people, who receive an education, tend to acquire knowledge, develop skills for their professions, and contribute to their personal and societal well-being.

Therefore, the Company has initiated a scholarship program for the children of employees who are currently studying from elementary to university levels and have demonstrated good academic performance. This program aims to support and be a part of creating opportunities for the younger generation. The Company has consistently implemented this scholarship program for over 25 years, and in 2023, scholarships were awarded on October 26, 2023.



Personnel Development

The Company emphasizes the development of employees in three aspects, including 1) enhancing knowledge and skills in their respective jobs, 2) developing management skills, and 3) fostering leadership capabilities through coaching and mentoring systems, along with On-the-Job Training (OJT). The training formats encompass both in-house training and external training with public organizations, conducted continuously and regularly through diverse methods and approaches, including self-directed learning and electronic media-based learning.

The employee development plan has been consistently implemented since 2022, covering employees at all levels. In 2023, it was stipulated that the average training hours per employee is 19.87 hours, and a total of 29 training courses provided. The focus is on safety-related training courses relevant to high-risk job practices, such as working in confined spaces, safe driving practices for forklifts, and the operation and maintenance of trucks. The goal is to ensure that employees can apply the knowledge gained from training to their work correctly, preventing workplace accidents that may result in loss of life and property. Additionally, the training courses cover general principles that employees can apply in their daily lives, such as working with chemicals, basic firefighting training, and first aid training. The employees can also apply knowledge gained from training courses in the annual performance evaluation.

First Aid Training



Forklifts Driving Training



Working in Confined Space Training



Basic Fire Fighting Training



Palm Plantation Management Training



Cultivation Management Training



Supervisory Skill Development



Fire Evacuation Practice

Furthermore, there were trainings conducted to enhance job skills, including palm oil plantation management, sustainable palm cultivation training aligned with the Roundtable on Sustainable Palm Oil (RSPO) standards, and training on the Personal Data Protection Act (PDPA) in 2023. The goal is to ensure that employees can perform their duties accurately, thereby improving efficiency in their work and contributing to the organization's objective of achieving operational excellence.

In addition, the Company offers training to both new and existing employees on the code of conduct and policy related to anti-corruption. In 2023, a total of 120 employees received this training. Furthermore, in accordance with the RSPO environmental standards, training was provided on waste management, and a total of 187 employees and contractors underwent this training. This training also extends to occupational disease safety, with 198 employees and contractors attending the session.



Waste Management and Safety at Work Training



Code of Conduct Training

Human Rights and Labour Treatment

The Company is aware of the importance of conducting business under the principles of human rights to ensure the fairness of labor and compliance with the RSPO system. Therefore, the Company has implemented the "Happy Workplace" project, which follows human rights and labor practices. This includes processes of hiring, remuneration, training, and provision of safety, occupational health, and working environment. The Company has also established a welfare committee led by employee representatives to facilitate communication between employees and the management. This includes a commitment to non-discrimination based on gender, religion, and providing opportunities for people with disabilities.

It begins with the declaration of policy and the establishment of practices regarding human rights. This is done to inform and raise awareness among individuals involved about their rights. The Company has provided training to impart knowledge on human rights through the RSPO standard system and has promoted rights and benefits in accordance with the law and human rights principles. The Company respects diversity and does not discriminate, providing days off for Buddhist and Islamic holidays, traditional holidays, annual health check-ups, and group accident insurance. Additionally, we exceed legal requirements of employing individuals with disabilities.

In addition, the Company has maintained a consistent tracking and auditing to ensure fair treatment of employees and labor, helping to reduce the risk of non-compliance with regulations or requirements that may lead to human rights disputes. The success of the Happy Workplace project relies on collaboration between the Company and the employees, including employee awareness of their rights, understanding, and cooperation with the Company in adhering to the established guidelines. This extends to communication on human rights and labor laws to all stakeholders comprehensively.

Operational Performance

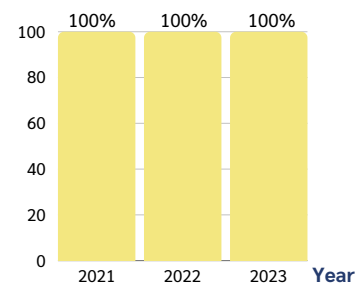


Case of Human Rights Violation

0 0 0 Case
2021 2022 2023 Year

The goal is no violations of human rights.

The Percentage of Training on Human Rights through RSPO Standard



The Proportion of Employees with Disabilities Comparing to Legal Requirements.



From 2021 to 2023, the Company has not incurred any fines for hiring individuals with disabilities below the legal requirements.



Human Resources Management Policy (Human Rights) and the Latest Version of the Human Rights Defenders Protection Policy as of January 3, 2023.

Equal Treatment for Employees and Support for Women in the Workplace



The Company has declared a policy of equal treatment for all employees, promoting gender equality, and prohibiting discrimination based on religion, gender, or nationality. This commitment encompasses supporting the participation of female workers and protecting their rights. The policy is guided by the following principles:

- Offer positions suitable for the qualifications and abilities of female employees, providing equal opportunities for them to work on projects and important tasks similar to male employees.
- Do not restrict the expression of opinions by female employees or managers in presenting new ideas and concepts.
- Conduct training seminars for both male and female employees.
- Promote and support the rights of female employees in taking responsibility for family and childcare. This involves flexible and balanced practices in carrying out duties, such as providing pregnancy registers, preparing breastfeeding facilities, and providing financial assistance benefits in case of childbirth.
- Ensure the employment of female employees in a proportionate ratio to male employees, setting compensation rates for female employees equal to those of male employees in equivalent positions and responsibilities.

Employment of People with Disabilities

The Company has a policy to promote human rights by embracing social diversity and ensuring equal opportunities for everyone. Additionally, the Company values the contributions of persons with disabilities and is committed to providing employment opportunities, enhancing their skills and capabilities. This is aimed at establishing rights, equality, improving quality of life, and generating income for persons with disabilities and their families, thus fostering sustainable societal development. According to data from 2020, the Company has consistently employed persons with disabilities at a rate higher than the legally required minimum. The Company is dedicated to providing opportunities for persons with disabilities to showcase their potential and make advancements in their careers on par with other employees.

On December 28, 2023, the United Palm Oil Industry Public Company Limited participated in the International Day of Persons with Disability 2023 in Krabi Province. The Company received an award for promoting employment opportunities for persons with disabilities of 2023, in accordance with Article 33, under the category of private organizations.





"Promote and foster the organization to achieve international recognition."

Corporate Governance and Economic

Having good corporate governance enables the Company to create sustainable value for both itself and society. The Company has established a structure and an efficient corporate governance practices, encompassing supervision, monitoring, and performance evaluation. Additionally, the Company adheres to various international standards or requirements in line with the law, ensuring that all parties follow the same fundamental principles of good corporate governance.

3.5 Sustainability Management in Corporate Governance Economic Dimensions

3.5.1. Policy and Guideline

The Company encourages and promotes compliance with both domestic and international laws and regulations to establish a standard of operation. We aspire to be recognized as a reputable organization in terms of legal compliance for the government, and for the community and business partners. Additionally, the Company adheres to standards to ensure customer satisfaction in both domestic and export markets.

GUIDELINE

- Issue regulations for monitoring compliance with the laws, regulations, and standards. Conduct legal reviews and provide training to the individual responsible for ensuring the adherence.
- Provide resources and budget to support the operations.
- Adopt continuous audit and perform internal audits within the company. Additionally, hire an external auditor and obtain various certifications of standard systems such as ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Occupational Safety and Health), and RSPO (Roundtable on Sustainable Palm Oil).



Supply Chain Management

The Company has established policies and sustainable practices to ensure that its business partners operate in accordance with these guidelines. This means that the Company's partners must consider environmental and social impacts, conduct business with integrity, adhere to fair labor and trade practices, be mindful of environmental impacts, and demonstrate business ethics through random assessments. This commitment extends from the procurement of FFB to the delivery of product to customers according to specified quality and on-time standards. Additionally, the Company aims to create satisfaction for customers and provide knowledge to growers through on-site visits and online channels.

Operational Performance



Partner Evaluations

100%

Local FFB Purchase Rate

97.73%

Partner Evaluations

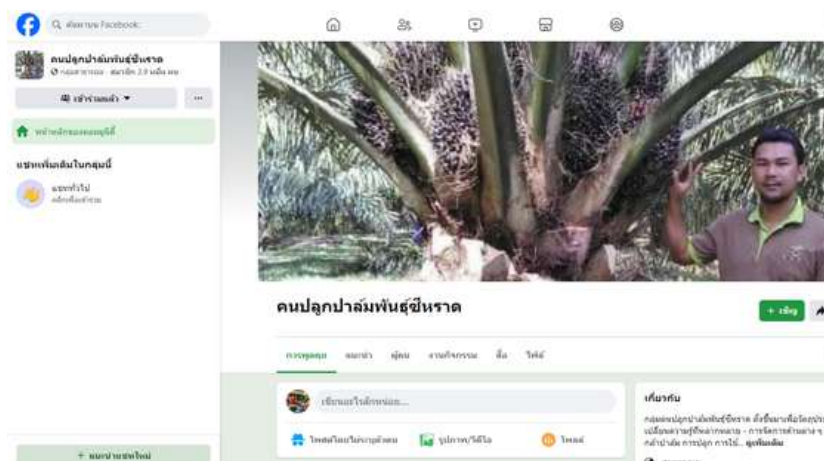
When engaging new business partners through procurement processes, the purchasing department conducts evaluations on various aspects related to procurement regulations. These evaluations encompass assessing the partner's business tenure, implemented standard systems, delivery capabilities, and post-sales services. Upon successful completion of the evaluation, the Company will communicate a code of conduct to ensure a mutual understanding.

Local Grower Support

In general, growers opt to sell FFB to the crushing mill based on the predetermined purchase price set during the harvesting period. Consequently, the Company diligently monitors, coordinates, and regularly communicates current prices to growers who supply FFB to the Company. The emphasis is placed on procuring FFB from local growers, and fair pricing practices reflecting the quality of the FFB are employed. The Company ensures timely payments, and special pricing incentives are extended to growers supplying the CIRAD variety of FFB to the mill, given that CIRAD is the variety distributed by the Company as germinated seeds and seedlings.



Facebook Group: The group of CIRAD cultivators



At present, palm oil growers are actively seeking knowledge on oil palm cultivation through various channels, particularly online platforms where growers of the same variety gather to exchange insights and experiences. One such platform is the Facebook group 'คนปลูกปาล์มพันธุ์ซีหราช' (The group of CIRAD cultivators), created with the aim of fostering knowledge exchange. Topics include seedling selection, planting techniques, fertilizer usage, irrigation, soil pH, leaf pruning, disease and pest management, breeding, and gaining an accurate understanding of CIRAD. The group's objective is to empower members cultivating the CIRAD variety, enabling them to effectively manage their plantations for optimal yields based on the distinctive characteristics of CIRAD, which are short frond and trunk, high yield, drought tolerance, and disease resistance. The facilitators of the group include representatives from the Company and joint venture (Siam Elite Palm Company Limited), as well as growers of the CIRAD variety.

Good Corporate Governance

Adhering to principles of good corporate governance ensures that the management of the Company is conducted with integrity, transparency, and trustworthiness, leading to the sustainable value of the organization.

The Company conducts an annual review, correction, and improvement of its operations to align with the best practices set by regulatory agency. This process encompasses elevating the quality of the Annual General Meeting and reviewing the performance of the Board to ensure alignment with the established direction, strategy, and organizational structure. Furthermore, it involves monitoring the performance of the management. Additionally, executives are required to submit quarter and annual reports.

The Company organizes Annual General Meeting in line with good corporate governance policies, and evaluates the performance of the Board, both on the committee and individual basis. This is to reflect the Board's performance and facilitate continuous improvement. The implementation of these practices has received good collaboration from the Company's Board, who are informed and supportive of the initiatives. Additionally, to align with best practices and to continuously enhance the skills, knowledge, and relevant abilities of the Board, the Company has developed a policy related to Board development, which can be further explored in detail on page 98 under section 6.1.1 *Policies and Practices Related to the Board of Directors*.



Operational Performance

Quality of Annual General Meeting

The Company has participated in **the evaluation of the quality of Annual General Meetings (AGM)** of listed companies organized by the Thai Investors Association (TIA). TIA with the collaboration of the Securities and Exchange Commission (SEC) and the Association of Listed Companies has developed an AGM Checklist. The checklist is designed to assess the quality of AGM based on the best practices that companies should follow when organizing AGM. It covers various steps in the shareholder meeting process, including pre-AGM preparations, AGM day, and post-AGM activities. The Company's assessment results since 2021 are presented below;

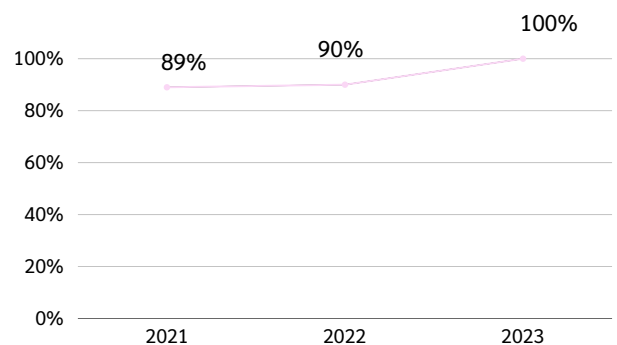
Year/Score	2021	2022	2023
Average score	94.75	95.46	93.47
UPOIC's score	98	98	96.00

After receiving the assessment results, the Company will conduct a review of practices that could not be implemented to enhance the quality of future AGM arrangements, with the aim of maximizing the benefits for shareholders.

CGR Assessment

In addition, the Company has participated in **the Corporate Governance Report of Thai Listed Companies (CGR) project** conducted by the Thai Institute of Directors (IOD). The assessment of corporate governance under the CGR project is categorized into five sections as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Board Responsibilities



In this regard, the Company achieved an average score of 100% in 2023, compared to the overall average score of listed companies, which stands at 81%.

The performance evaluation of the Board of Directors and Subcommittees

In 2023, the Company conducted self-assessment of the Board of Directors and Subcommittees 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.

Self-Assessment Results of the Board of Directors as a Whole

The self-assessment of the Board of Directors as a whole has been implemented to evaluate the performance of the entire Board, applying guidelines from the SET in accordance with the nature and structure of the Board. The results of the assessment serve as a tool for the Board of Directors to review its own duties and further enhance efficiency and effectiveness. The assessment includes six categories, evaluating both opinion and action levels.

Categories	Score (%)
1.Board structure and qualifications	87.09
2. Roles, duties, and responsibilities of the board	89.11
3. The board meetings	96.43
4. Duties of directors	89.80
5. Relationship with management	81.43
6. Directors's self-improvement and management training	86.90
Average Score	88.99



Self-Assessment Result of Subcommittees as a Whole

Self-Assessment of subcommittees as a whole has been implemented to evaluate performance of subcommittees as a whole by applying the guideline from the SET with the nature and structure of subcommittees. The result of the assessment is served as a tool for subcommittees to review its own duty and further enhancing the efficiency and effectiveness. Seven categories of the assessment of opinion and action level are as follows:

Categories	Score (%)
1.Board structure and qualifications	94.39
2. Sub-Committees meeting conducted under the determined conditions	99.40
3. Audit Committee	98.81
4. Nomination Committee	92.71
5. Remuneration Committee	93.75
6. Corporate Governance Committee (under Audit Committee)	90.83
7. Risk Management Committee	87.14
Average score	94.36

Self-Assessment Results of the Board of Directors and Subcommittees (Individual Basis)

Self-Assessment of the Board of Directors and subcommittees (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	Score (%)
1. Board structure and qualifications	87.50
2. The board meeting	94.64
3. Roles, duties, and responsibilities of the board	89.29
Average score	90.91

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 conclusion, the score of the board self-assessment in 2023 was 90.99% (2022: score 89.95%)

Risk Management

Policy and Practices on Sustainable Risk Management

The Company is well aware that managing potential risks can create opportunities for competitiveness, reduce losses, and mitigate potential harm to the organization. Additionally, the Company can take these identified risks as a basis for improvement, planning, and preparedness to respond promptly to potential situations. Furthermore, the Company can build a valuable knowledge database for effective risk management and operational practices within the organization. This information serves as a foundation for managerial decision-making in the risk management process.

The Company, therefore, encourages working teams from various departments to present potential risks both internal and external of organization, along with proposals for improvements and suggestions. These presentations are to be submitted to the Risk Management Committee for consideration. The Committee will review the presented risks, focusing on critical issues, and expedite necessary corrective actions. Additionally, the Committee will formulate plans to mitigate or address the identified risks proactively.

However, for effective risk management, the Company needs support from the management and their active participation in developing plans to address potential risks. Additionally, collaboration from relevant personnel is crucial. The Company will communicate to make employees aware of risks associated with various operations within the Company, encouraging their participation in risk assessments both internally and externally. Furthermore, it is important to note that the Company may not be able to assess all factors comprehensively and cannot control or mitigate risks arising from external factors, such as weather conditions, raw material prices, and government policies.

In addition, the Risk Management Committee will conduct risk reviews and report to the Board of Directors at least once a year.



The Company has applied the ISO systems in the areas of search, identification, assessment, and planning to manage risks related to the quality of products and services, environmental concerns, safety, and occupational health. Upon discovering and assessing the significance of identified issues, immediate actions are taken to eliminate or reduce risks through process improvements or addressing relevant conditions, such as machinery or lighting. Additionally, emergency situations are regularly assessed, and response procedures and drills are consistently planned and rehearsed.

Economic-related risks are evaluated and reviewed by the Risk Management Committee. The Committee also formulates strategies and management plans. These are then presented to the Board for approval of the proposed plans and budgets.

The Company has reviewed, examined, monitored, and assessed risks that impact its operations, including the measures to mitigate these risks. This encompasses risks to the business operations and emerging risk (ESG risks). Details of the risk management activities and outcomes can be found on pages 23-27.



Business Ethics

The Company recognizes the importance of compliance with the law and has therefore established a code of conduct. This serves as a guideline for the Board, executives, and stakeholders to be aware of and transparently fulfill their responsibilities. The aim is to foster a culture of integrity and consistency throughout the organization, instilling confidence in stakeholders and related regulatory authority. This, in turn, reduces actions that may constitute violations and ensures adherence to legal, ethical, and moral principles while creating a positive image for the organization.

The Company conducts an annual review of code of conduct to ensure alignment with the organization's context. This includes communicating relevant information to stakeholders through various channels. Training sessions and assessments are provided to enhance employees' understanding of the code. Additionally, the Company has provided channels for individuals to raise complaints or suggestions if they observe actions that violate code of conduct and good corporate governance principles.

Operational Performance



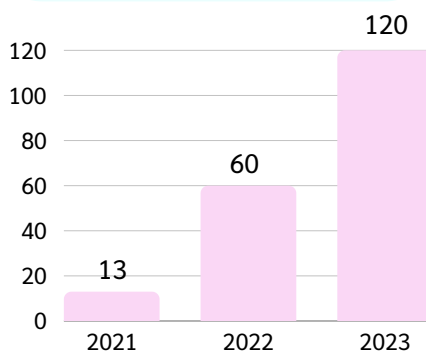
The Company recognizes the importance of knowledge and understanding of code of conduct. Therefore, we provide employees with knowledge regarding such topic to serve as a guideline for their work practices and interactions with the Company, colleagues, and stakeholders as follow:



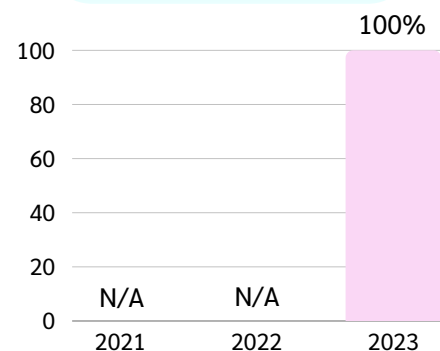
- Ensure all new employees receive comprehensive training on the Company's code of conduct, with a specific focus on areas relevant to their roles. New employees shall undergo a knowledge and understanding test as a part of the training sessions.
- Impart knowledge to regular employees and contractors of the Company. Participants shall undergo a knowledge and understanding test as a part of the training sessions.

Personnel Undergone Training and Test regarding Code of Conduct

Rate of personnel undergone training on the code of conduct



Passing rate of personnel on the code of conduct test

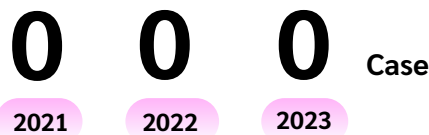


In 2021-2022, the knowledge and understanding test was not implemented yet.

In order to ensure that the Company's operations are conducted ethically and in compliance with the law, aligning with the code of conduct, the Company has established channels for lodging complaints and process for managing such complaints. This process is particularly relevant when addressing complaints related to breaches of the code of conduct or instances of corruption within the organization. The performance is listed as follows:

The Number of Code of Conduct Violations or Corruption Cases.

1. The case of utilizing inside information.
2. The case of embezzlement.
3. The case of conflict of interests.



Read more details about the reporting channels or complaint management procedures on page 131.

- The Company has conducted a review of the code of conduct to ensure its currency. The revised version was presented at the Board of Directors' meeting on November 9, 2023, and subsequently approved during the Board of Directors' meeting on February 22, 2024.
- Training sessions on code of conduct, use of inside information, and conflicts of interest have been conducted for the Board members and employees. Additionally, the Company stipulates that new employee has to undergo the orientation related to such topic that covers principles, practices, and case studies, followed by knowledge assessments to ensure understanding.
- In 2023, the Company conducted training sessions on code of conduct, use of inside information, and conflicts of interest for a total of 7 members of the Board of Directors and 120 employees.

Customer Relationship Management

Building a good relationship between customers and the Company is a key factor that enables the Company to continuously expand its business. Timely delivery of product, quality as specified, and consistently good after-sales service create a lasting impression and maximum satisfaction in the Company's products and services.

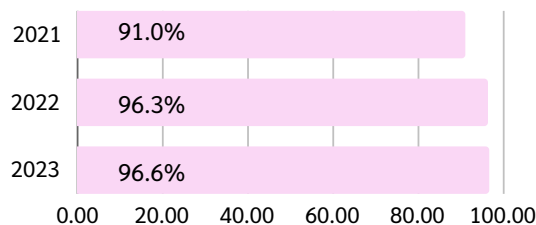
The Company assesses customer satisfaction through interviews or the distribution of questionnaires. In instances where complaints or notifications arise, indicating that the delivered products do not meet the specified conditions, the Company conducts follow-ups, investigates the issues, and subsequently assesses them to implement improvements and adjustments.

However, the Company cannot control external factors that may pose obstacles and have an impact on the product delivery. For example, during peak periods of CPO exports, a shortage of transportation vehicles may occur, making it challenging for the Company to deliver products on time. In such cases, the Company engages in coordination and informs customers in advance of the scheduled delivery date. Provided complaint channels is Company-appointed representatives or the Company's website.

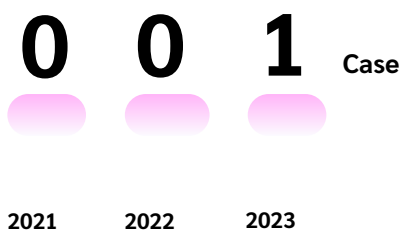


Operation Result

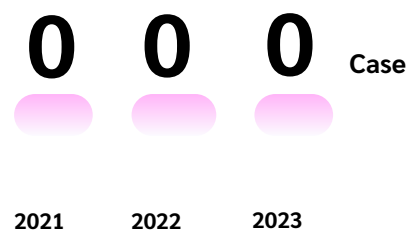
CPO Customers Satisfaction Score



Customer Complaints



Customer Data Leakage



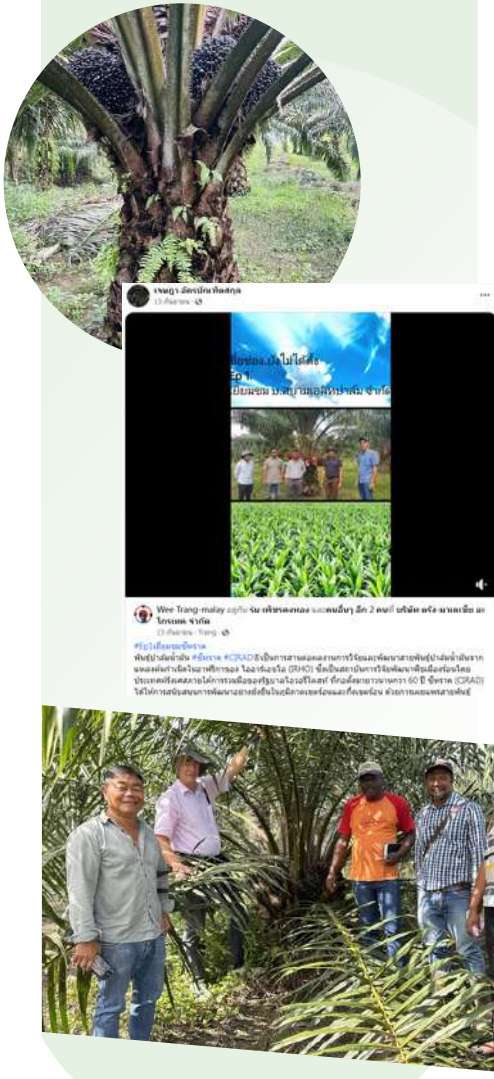
Customers of Germinated Seeds and Palm Seedlings

The Company aims to achieve customer satisfaction in every aspect, encompassing product quality, on-time delivery, and after-sales service. Specifically for germinated seeds and palm seedlings, the Company has established guidelines for customer to ensure satisfaction in each of these mentioned aspects. Emphasis is placed on providing excellent after-sales service to build customer confidence, ensuring that customers will receive assistance from the Company in the event of any issues after purchasing the products. This approach aims to establish a long-term relationship between customers and the Company, creating opportunities for new customer acquisition through word-of-mouth recommendations. Additionally, in collaboration with its joint venture, Siam Elite Palm Co., Ltd, the Company has organized activities to promote knowledge and understanding of palm cultivation for customers.

1. The Company provides opportunities for growers and interested individuals to study fieldwork in the Company's plantations. They are also invited to participate in activities organized by the joint venture, Siam Elite Palm Co., Ltd.
2. In the event that customers who have purchased palm seedlings from the Company discover inconsistent abnormalities with the expected genetic traits, the Company's staff will conduct a thorough inspection. Upon confirmation of a deviation from the genetic traits, the Company will provide compensation in accordance with the established criteria.
3. The Company will have a regular schedule for customer visits and interactions, involving senior management and the Company's palm breeding experts.
4. There is the Facebook group "คนปลูกปาล์มพันธุ์ชี้หรวด" created to provide knowledge and facilitate the exchange of experiences in palm cultivation. This is aimed at building a relationship between the Company and customers.
5. The Company has implemented a policy to incentivize growers to cultivate the 'CIRAD' variety. Growers who supply FFB of the CIRAD variety to the company will be eligible for a higher price compared to other varieties.

CPO Customers

The Company controls and monitors the quality of its products to meet standards by timely deliveries, fulfilling customer needs, and achieving maximum satisfaction. The aim is to build good relationships and encourage repeat purchases. However, the majority of the Company's customers are large-scale industrial clients, enabling efficient management. The Company has established practices regarding the handling of non-compliant products, a product recall process, and investigating the causes to ensure that customers receive quality products as specified. Additionally, the Company regularly evaluates customer satisfaction to incorporate feedback and suggestions for continuous improvement and enhancement of product and service quality.



Product Stewardship

The company is dedicated to producing products and services, with a commitment to social and environmental responsibility. This is achieved by ensuring that the production process and products are safe and environmentally friendly. The CPO production process has been certified by various standards, including Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), Occupational Health and Safety (ISO 45001:2018), and Roundtable Sustainable Palm Oil (RSPO).

Certification of these standards is a part of enhancing trust in transparent and environmentally responsible operations. All stakeholders receive fair and equitable treatment, such as ensuring the health of employees by reducing/avoiding the use of hazardous chemicals, preventing pollution in various aspects, not impacting the community negatively, respecting human rights, and conducting business according to corporate governance principles.

Furthermore, the RSPO certification for CPO enhances the product's value. To attain and sustain this certification, the company must rigorously implement various requirements within the organization. This involves communicating and fostering understanding among employees and relevant stakeholders, ensuring their awareness and full compliance with the different requirements of the standard system.

Crucially, the key to success relies on the cooperation of the management, which should prioritize, support, and guide all parts of the organization to adhere to the requirements of various standards comprehensively.



Operational Performance

Status of Standard Systems' Certification

The Company has been certified with

4

Standard systems



ISO 9001:2015



ISO 14001:2015



ISO 45001:2018



Roundtable on Sustainable Palm Oil (RSPO)

Awards and Honors 2023



Green Industry Level-4

ENVIRONMENTAL

SOCIAL



Received an award for outstanding business establishment in the field of labor relations and labor welfare for the 6th consecutive year.

CORPORATE GOVERNANCE



SET AWARDS 2023

Business Excellence
(Outstanding Company Performance Award)

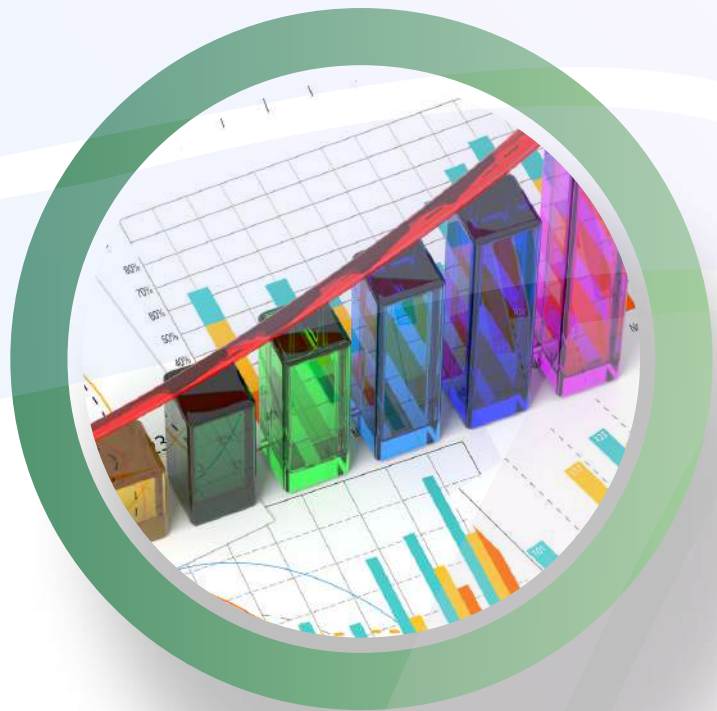


The evaluation according to the ORPORATE GOVERNANCE REPORT OF THAI LISTED COMPANIES (CGR) 2023 is at the "Excellent" level.



The assessment of the quality of the annual general meetings of listed companies on the Stock Exchange of Thailand is at the 'Excellent' level.

4. Management Discussion and Analysis (MD&A)

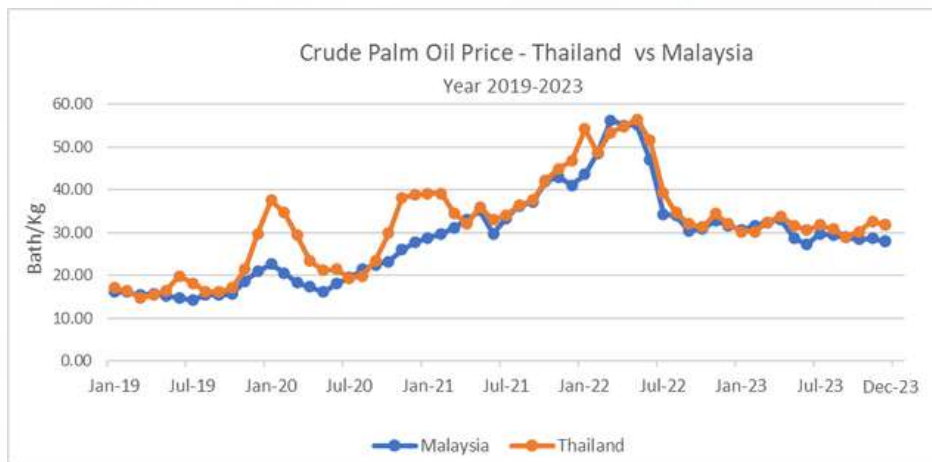


4. Management Discussion & Analysis

MD&A

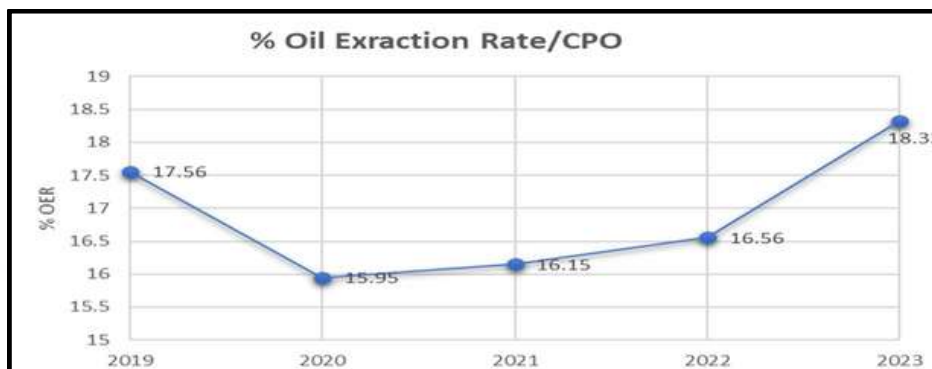
4.1 Overall business operation and key changes

The volume and price of fresh fruit bunches (FFB), the Company's primary raw material, significantly impact revenue. While the selling price of crude palm oil (CPO) relied on the market price, Thailand currently has 6.2 million rai of palm oil cultivation, ensuring sufficient FFB for both domestic consumption and export. To maintain a balanced CPO stock, Thailand's CPO price needed to align with the international price, unlike some periods in the past three years where the domestic price remained significantly higher. However, excessive exports can lead to low domestic stock levels.



The increased domestic production of FFB utilized milling capacity, boosting productivity. However, as mills competed to procure FFB to maximize their capacity, this often led to a purchase made without due consideration for quality, leading to lower oil extraction rates and higher costs and adversely affecting both the palm oil industry and the Company which also purchased FFB from external growers. Owning palm plantations enabled the Company to control harvesting practices, ensuring high-quality FFB. The Company own FFB achieved a 17.5% higher oil extraction rate compared to the FFB purchased from out growers.

In 2023, the Company invested in machine maintenance aimed at reducing oil loss in the production process. Additionally, the Company implemented quality measurement procedure for purchasing FFB from out growers. This resulted in a significant 10.7% increase in oil extraction rate, from 16.56% in 2022 to 18.33% in 2023.



Besides, the TAS NO. 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant has a significant impact on the Company's financial statements. This standard mandates the recognition of unharvested palm fruits with an estimated harvest within the next four months as biological assets in the financial statements. This is done by randomly counting the bunch from the palm trees in each plot with the possibility of a deviation of about 10%. In addition, it is difficult to predict the future price of fresh palm fruits as it is a commodity that its price can be affected by both internal and external factors, such as weather conditions, diseases, government policies, policies of major world producers, and substitute vegetable oil prices. As a result, in 2023, the company had a loss of Baht 15.1 million on changes in the fair value of biological assets (2022: profit of Baht 89.3 million).

4.2 Operation and profitability

Estate operations

In 2023, the total volume of own crop was less than 2022 by 1.9%; FFB from own estates decreased by 5.5% and FFB from concession land decreased by 4%. This increase was attributed to the higher yields of newly planted palm oil in these areas. Additionally, the cost of own crops decreased by 13.4%, primarily due to a decrease in fertilizer costs.

Mill operations

While Thailand's FFB production only decreased slightly by 4% in 2022, the Company's purchases from out growers significantly dropped by 25.6%. This decline can be attributed to mills prioritizing quantity over quality in purchasing FFB, impacting oil extraction rates. Recognizing this, the Company reduced FFB purchases during that period. Besides, the Company has implemented the FFB procurement strategy by prioritizing quality more than quantity. Despite a slight decrease in own estate output, the total volume of FFB processed in 2023 fell by 20.1%. As a result, the proportion of FFB from external sources and own estates shifted to 68.3% and 31.7%, respectively, compared to 73.3% and 26.7% in 2022.

Although a 20.1% decrease in processed FFB volume as out grower FFB purchases in 2023 reduced, the Company's oil extraction rate soared by 10.6%, resulting in a modest 11.7% decrease in CPO output. This was a result from strict harvesting measures in the Company's own estates and stringent quality control of outsourced FFB.

Following the adjustment, the production cost per unit at the mill rose by 15.2%. Despite this increase, the Company recorded profits from CPO, totaling 3,681 tons, attributable to an enhanced oil extraction rate.

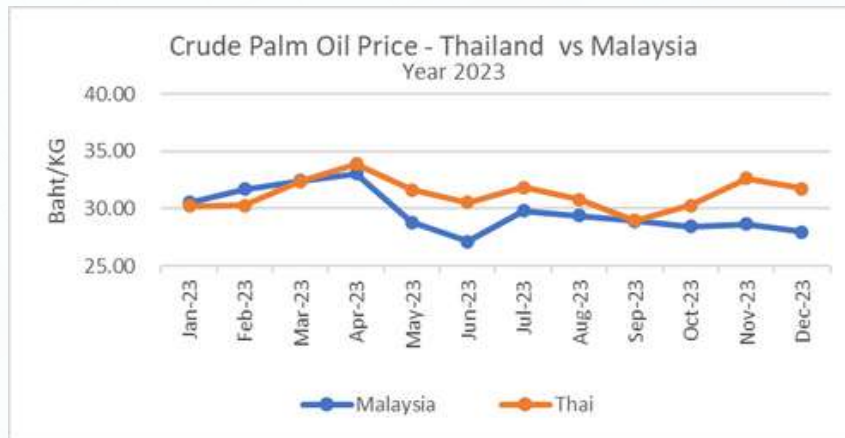
The Company has revenue from operations that received promotional privileges from the Board of Investment. Details are as follows:

1. Electricity produced by biogas power plant, which received the promotion certificate No. 65-0092-1-00-1-0 dated January 25, 2022, exemption from corporate income tax on net profits derived from the promoted business for 8 years from the date of first earning revenue from biofuel power generation business 1.904 megawatts, the Company has already exercised such privileges on September 27, 2022.
2. Electricity produced by biomass power plant, the Company received the BOI Certificate no. 66-1162-1-05-1-0, dated 5 September 2023, exemption from corporate income tax at a rate of 50% on income for 3 years starting from the first date of realizing income. The Company has already exercised such privileges on 20 September 2023.

4.2.1 Revenue from sale of goods and other income

Revenue from sale of goods of the Company and its subsidiaries in 2023 was Baht 756 million and decreased by 33.8% from the previous year for the following reasons:

(1) The average selling price per unit of CPO and CPKO decreased by 30% and 48.3% 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.



(2) The sales volume of CPO decreased by 17.4% due to the reduction in its production, opposite to CPKO which sale volume increased by 131% because of stock from the previous year.

Other income for the year 2023 decreased by Baht 54.8 million or 49.1% from the year 2022. It was caused by a reduction in by-product sales of Baht 14.4 million. Besides, the high free fatty acid oil decreased by Baht 7.4 million and the maintenance of machines reduced the oil loss to the wastewater ponds. In addition, the Company did not have other income that received in 2022, such as the compensation from insurance for business interruption insurance from a fire accident in August 2020 amounted to Baht 12.3 million together with reversal profit (impairment loss of assets) of Baht 14.5 million. This led to decrease of total revenue by 3.7% (2022: 8.3).

Loss from fair value change of biological assets Baht 15.1 million (2022: profit 89.3 million). This can be because of the decrease in estimate of palm fruit on tree comparing to the same period last year resulting from drought conditions and reduced rainfall.

4.2.2 Cost of sales and expenses

1. Cost of sales in the year 2023 was Baht 1,237.3 million, or Baht 754.8 million or 37.9% lower than the year 2022 due to the average FFB cost decreased by 30.5%.
2. Selling expenses decreased by Baht 2.2 million or 5.5% from the year 2022 due to sales volume that reduced by 21.3% while the diesel oil price increased.
3. Administrative expenses increased by Baht 18.0 million from the year 2022 mainly from the adjustment of management structure to enhance the Company's competitiveness and create a new s-curve of the business.

4.2.3 Profit: Consolidated profits

From the cost of sales and expenses mentioned above, in 2023 the Company and its subsidiaries had got a higher gross profit of 16.5% (2022: 11%). While profit from operating activities decreased by Baht 176.22 million or 49.8%. The cause was the loss arising from change in fair value of biological assets according to TAS 41 at Baht 15.1 million (2022: profit Baht 89.3 million). This led to decrease of operating profit margin by 12% (2022: 15.8%) and cash to profit ratio 99.7% (2022: 121.1%).

However, the Company recognized the increase in its share of comprehensive income from the joint venture by Baht 26.4 million or 73.1%. While the finance cost rose by Baht 1.8 million from the increased interest rate caused net profit after tax for the Company and its subsidiaries to decline by Baht 113.8 million (2022: 317.3 million). The net profit margin in 2023 was 13.7% (2022: 317.3 million) while the return on equity slowed to 13.1% (2022: 21.8).

4.3 Assets Management

The Company and its subsidiaries' assets consisted of:

Current assets	2023 (%)	2022 (%)
Cash and cash equivalents	6.5	5.7
Trade and other receivables	4.0	2.1
Inventories	10.6	12.6
Biological assets	10.6	11.5
Other current assets	0.4	0.5
Total current assets	29.3	32.3
Non-current assets		
Investment in joint venture	5.2	3.5
Property, plant and equipment	51.2	51.5
Bearer plants	9.0	9.7
Other non-current assets	2.7	2.9
Total non-current assets	68.1	67.7
Total assets	100	100

In 2023, the Company and its subsidiaries had total assets of Baht 1,843 million, an increase of Baht 78 million or 4.4% when compared with 2022. The ratio of the Company and its subsidiaries' assets to total assets has remained the same without any significant change.

However, the changes of assets were as follows:

1. Cash and cash equivalents increased by Baht 19.0 million from received payment from trade receivables at the end of the year.
2. Trade receivables increased by Baht 35.7 million as the sale at the end of the year rose. However, receivable days were 14 days corresponding with credit terms provided to customers by the Company.
3. Inventories fell by Baht 26.9 million as the cost of CPO and CPKO decreased following the declined cost of FFB.
4. Investment in joint venture increased by Baht 32.5 million due to higher profit sharing.

While the net profit of 2023 fell by 35.9%, the total asset climbed by 4.4%, resulting in return on assets decreased by 11.3% (2022: 18.0%). Besides, fixed assets increased by 2.8% leading to reduction of return on fixed assets by 22.9% (2022: 33.7%)

In addition, decreased total income was caused by the price of oil that declined following the international market. This caused total asset turnover to decrease to 0.9 times (2022: 1.4 times)

4.4 Liquidity and capital adequacy

The Company and its subsidiaries' source of funds comprised Baht 1,585 million from shareholders' equity and Baht 257 million from liabilities, in the ratio of 86%: 14% respectively. Loans from financial institutions amounted to Baht 130 million or 50.5 % of total liabilities, consisting of short-term loans, which were utilized within the Company during the stock management with the debt to equity ratio at 0.16 times (2022: 0.15 times).

The Company has a policy to not provide collateral to financial institutions for short-term and long-term loans. However, this is with the exception of a covenant that the Company will not provide any of its assets to financial institutions as collateral.

Shareholders' equity

The Company and its subsidiaries recorded net profit in 2023 of Baht 203 million. In 2023, the Company and its subsidiaries paid a dividend of Baht 146 million. As such, the shareholders' equity of the Company and its subsidiaries increased from 2022 by Baht 53 million.

Liabilities

The Company and its subsidiaries' liabilities of Baht 257 million comprised current liabilities at Baht 177 million and non-current liabilities at Baht 80 million, an increase of Baht 24 million from 2022 or 10%. The cause was loans from financial institutions that increased by Baht 32 million as there was sale of goods during the end of the year leading to an increase of receivable.

4.4.11 Sources and uses of funds

At the end of 2023, the Company and its subsidiaries recorded cash and cash equivalents at Baht 119 million, compared to Baht 100 million at the same period of 2022. The major reasons for the increase of Baht 19 million are as follows:

- Net cash flows from operating activities amounted to Baht 177 million, a year-on-year decrease of Baht 429 million. This was derived from the operating profit result as mentioned above, an increase in trade accounts receivable from sale during the end of the year, and reduction of inventories from decreased cost of FFB.
- Net cash flows used in investing activities amounted to Baht 44 million, a decrease of Baht 9 million when compared with Baht 53 million used in 2022. This was due to investment in machinery and equipment and dividend income from joint venture.
- Net cash flows used in financial activities amounted to Baht 115 million compared to Baht 309 million in the previous year. This came from dividend payment and increase of short term loans.

Due to the decrease in earnings before interest, depreciation, and taxes, while interest increased, the interest coverage ratio decreased to 62.4 times (2022: 153.7 times). Additionally, the rise in short-term loans increased the interest bearing debt to EBITDA to 0.5 times (2022: 0.2 times). This also led to a decrease in the debt service coverage ratio to 2.2 times (2022: 6.0 times).

Dividend payout ratio

The Board of Directors' meeting on February 22, 2024, resolved a dividend payment for 2023 from the operating result at the rate of 0.3 Baht per share which would be later proposed to AGM for approval.

In May 2023, the Company paid a dividend for 2022 from the operating result at the rate of 0.45 Baht per share representing 52.45% of dividend payout ratio (2022: 0.50 Baht per share, representing 53.79% of dividend payout ratio).

The Company has a policy of paying approximately 50% of net profit after tax as dividend.

4.4.2 Capital expenditure

In 2023, the Company invested in new machines and equipment to continuously enhance production efficiency.



EFB Press Installation

The Company installed a new set of empty fruit bunch (EFB) press machines, consisting of 4 units, to replace the old one. They have the capability to increase production capacity from the previous 4-5 tons per hour to 6-8 tons per hour. This results in reducing the oil loss rate during the pressing process by 30% and allows an increase in the value of selling the pressed EFB through the sale of shredded fibers, with 3 to 3.5 times increase in value.



Electricity from biogas for use in the production process

The Company installed a 33-kilovolt high-voltage electrical transmission system, connecting it to the biogas power generation unit. This system is utilized in the crude palm oil (CPO) extraction process to replace external electricity purchases from the Provincial Electricity Authority (PEA), thereby reducing the difference in electricity costs.



Construction of storage facility and machinery for purchased palm kernel

The Company constructed a building and installed machinery to facilitate the purchased palm kernel from external sources for processing at maximum production capacity. This is aimed at reducing the production costs.



Nozzle Separator

The Company installed a water-oil separator system, specifically two sets of Nozzle Separators, to enhance efficiency and reduce losses from sludge before further disposal in the subsequent process.

For future investments, the Company will invest in new machinery, equipment, trucks, and vehicles to replace aging assets. It also includes replanting of oil palm trees with declining yields to maximize the utilization of land. This is because land prices are currently high, and it is challenging to find large plots of land.

The Company's source of funds was the cash flow from trade receivable and short-term loans. In the event of lack of liquidity, the Company was able to obtain a loan from financial institutions because of the strong financial position, indicating no difficulty in obtaining loans from these institutions.

4.4.3 Liquidity adequacy

As FFB are the main raw material, 75% of processed FFB came from out growers and traders, with cash payment upon delivery. However, the Company sold CPO and provided a 15-day credit term to customers from the delivery date. Therefore, the Company needed adequate liquidity during the peak FFB season and managed the stock for the off-season. The company was able to obtain loans from financial institutions because of the possessed short term load credit from financial institutions.

Nevertheless, the total asset turnover ratio of the Company rose to 31.9% of total assets, which majority was cash, trade receivable and inventories. However, the current liabilities declined at 9.6% of liabilities and shareholder's equity, which were short term loans that were utilized as cash flow in the business. This caused the liquidity ratio to remain high at 3.3 times (2022: 4.7 times). The quick ratio was 1.08 times (2022: 1.12 times) because the Company had cash, trade receivable and inventories at rate 21.0 of total assets.

Due to a 30.5% decrease in the price of palm fruits in 2023, the selling price of CPO and palm kernel decreased by 30% and 48%, respectively. This resulted in a decrease in sales revenue and the value of receivable compared to 2022. Consequently, the receivable turnover ratio stood at 27 times (2022: 17 times), while the average debt collection period was 13.5 days, which was in line with the 14-day credit that the company offers to customers.

Besides, the value of finished goods and sale revenue declined in line with the cost of FFB. This caused the finished goods turnovers ratio to go down to 6.3 times from 9 times in 2022. The average finished goods period was 58 days and the proportion of finished goods to inventories accounted for 92.5%, leading inventory turnover to go down to 5.9 times from 8.6 times in 2022.

Since the Company's main raw material is FFB, which were paid in cash to growers, most of the trade payables were for spare parts and machinery equipment. These payables were relatively small, accounting for 5.4% of total liabilities. As a result, the trade payables turnover ratio was 41.0 times (2022: 60.5 times). The average payment period is 9 days (2022: 6 days), and the cash cycle was 66 days (2022: 58 days).

4.5 Factors or circumstances which might affect financial performance and cash flow in the future

Because the major raw material of the Company comes from agricultural product, its future financial performance is to a large extent dependent on uncontrollable factors such as weather condition, rainfall level, the quantity of Fresh Fruit Bunch (FFB) harvested in Thailand in each season, the volatility of palm oil price, export policy of major producers and other vegetable oils price. Furthermore, the Government continues its policy to support farmers during peak season of FFB, hence creating market distortion. Moreover, there are 108 CPO crushing mills in operation with total capacity utilization at 63%, leading to intense competition in buying FFB, irrespective of quality, resulting in higher cost of sales.

Another crucial factor is the legal tenure of the plantation area, 52.8% of which is State Property. Subsidiaries can obtain the lease for only 15% of the total plantation area while other areas are still undergoing process. In case that the government does not extend the lease, the Company would have less plantation area and be compelled to buy a higher proportion of FFB from outside sources, resulting in higher cost of sales.

• **Summary of Consolidated Financial Statements**

United Palm Oil Industry Public Company Limited and its subsidiaries

- Statement of financial position as at 31 December

	<u>2023</u>		<u>2022</u>		<u>2021</u>	
	Baht	%	Baht	%	Baht	%
<u>Assets</u>						
Current assets						
Cash and cash equivalents	118,932,461	6.45	99,936,008	5.66	32,782,180	1.86
Trade and other receivables	72,804,838	3.95	37,081,186	2.10	226,957,718	12.85
Current portion of lease receivables	118,600	0.01	699,293	0.04	1,544,819	0.09
Advance to employees	72,706	0.00	83,078	0.00	80,668	0.00
Inventories	194,718,595	10.57	221,651,027	12.56	241,766,733	13.69
Biological assets	195,368,230	10.60	203,525,992	11.53	112,273,222	6.36
Other current assets	6,425,491	0.35	8,045,626	0.46	12,483,276	0.71
Total current assets	588,440,921	31.93	571,022,210	32.35	627,888,616	35.55
Non-current assets						
Financial lease receivables - long-term portion	378,878	0.02	20,706	0.00	896,306	0.05
Investment in joint venture	94,967,785	5.15	62,450,037	3.54	26,570,516	1.50
Long-term loan to other company	15,640,000	0.85	16,560,000	0.94	17,480,000	0.99
Property, plant and equipment	943,944,814	51.23	908,471,120	51.47	877,810,751	49.70
Right-of-use assets	32,350,805	1.76	33,926,472	1.92	34,981,664	1.98
Bearer plants	166,215,915	9.02	171,950,885	9.74	176,452,462	9.99
Intangible assets	201,993	0.01	44,361	0.00	90,382	0.01
Other non-current assets	585,977	0.03	747,073	0.04	4,152,147	0.24
Total non-current assets	1,254,286,167	68.07	1,194,170,654	67.65	1,138,434,228	64.45
Total assets	1,842,727,088	100	1,765,192,864	100	1,766,322,844	100

	<u>2023</u>		<u>2022</u>		<u>2021</u>	
	Baht	%	Baht	%	Baht	%
<u>Liabilities and shareholders' equity</u>						
Current liabilities						
Short-term loans from financial institutions	130,000,000	7.05	40,000,000	2.27	145,000,000	8.21
Trade and other payables	30,341,047	1.65	30,077,480	1.70	35,766,882	2.02
Current portion of long-term loan	-	-	31,666,667	1.79	36,666,667	2.08
Current portion of long-term lease liabilities	606,057	0.03	408,731	0.02	345,178	0.02
Income tax payable	10,026,723	0.54	13,433,816	0.76	9,386,932	0.53
Other current liabilities	5,845,103	0.32	7,252,559	0.41	6,858,855	0.39
Total current liabilities	176,818,930	9.60	122,839,253	6.96	234,024,514	13.25
Non-current liabilities						
Long-term loan, net of current portion	-	-	26,666,667	1.51	63,333,333	3.59
Long-term lease liabilities, net of current portion	42,497,878	2.31	43,103,935	2.44	42,647,014	2.41
Deferred tax liabilities	21,495,144	1.17	22,840,677	1.29	31,751,684	1.80
Provision for long-term employee benefits	16,406,986	0.89	17,308,835	0.98	17,390,063	0.98
Total non-current liabilities	80,400,008	4.36	109,920,114	6.23	155,122,094	8.78
Total liabilities	257,218,938	13.96	232,759,367	13.19	389,146,608	22.03
<u>Shareholders' equity</u>						
Share capital						
Registered						
324,050,000 ordinary shares of Baht 1 each	324,050,000		324,050,000		324,050,000	
Issued and fully paid up						
324,050,000 ordinary shares of Baht 1 each	324,050,000	17.59	324,050,000	18.36	324,050,000	18.35
Share premium	321,544,740	17.45	321,544,740	18.22	321,544,740	18.20
Retained earnings						
Appropriated - statutory reserve	60,805,000	3.30	60,805,000	3.44	60,805,000	3.44
Unappropriated	879,108,410	47.71	826,033,757	46.80	670,776,496	37.98
Total shareholders' equity	1,585,508,150	86.04	1,532,433,497	86.81	1,377,176,236	77.97
Total liabilities and shareholders' equity	1,842,727,088	100.00	1,765,192,864	100.00	1,766,322,844	100.00

United Palm Oil Industry Public Company Limited and its subsidiaries

◦ Statement of comprehensive income for the year ended 31 December

	<u>2023</u>		<u>2022</u>		<u>2021</u>	
	Baht	%	Baht	%	Baht	%
Revenues						
Revenue	1,481,488,320	96.31	2,237,528,936	91.76	2,074,443,675	95.22
Gain arising from change in fair value of biological assets	-	-	89,278,804	3.66	25,902,143	1.19
Other revenue						
Compensation from insurance	-	-	12,262,299	0.50	7,671,981	0.35
Others	56,790,316	3.69	99,303,041	4.07	70,650,968	3.24
Total revenues	1,538,278,636	100.00	2,438,373,080	100.00	2,178,668,767	100.00
Expenses						
Cost of sales	1,237,265,809	80.43	1,992,080,635	81.70	1,721,271,390	79.01
Selling and distribution expenses	37,521,108	2.44	39,731,819	1.63	41,935,482	1.92
Administrative expenses	70,696,308	4.60	52,689,257	2.16	46,764,067	2.15
Loss on impairment of assets	-	-	-	-	15,588,502	0.72
Loss arising from change in fair value of biological assets	15,148,176	0.98	-	-	-	-
Total expenses	1,360,631,401	88.45	2,084,501,711	85.49	1,825,559,441	83.79
Profit (loss) from operating activities	177,647,235	11.55	353,871,369	14.51	353,109,326	16.21
Share of profit (loss) of a joint venture	62,546,571	4.07	35,879,521	1.47	3,572,980	0.16
Finance income	995,681	0.06	508,530	0.02	372,151	0.02
Finance cost	(4,618,373)	(0.30)	(2,817,816)	(0.12)	(4,445,685)	(0.20)
Profit (loss) before income tax expenses	236,571,114	15.38	387,441,604	15.89	352,608,772	16.18
Income tax expenses	(33,063,479)	(2.15)	(70,160,393)	(2.88)	(45,794,905)	(2.10)
Profit (loss) for the year	203,507,635	13.23	317,281,211	13.01	306,813,867	14.08
Other comprehensive income						
Actuarial loss – net of income tax	(4,593,854)	(0.30)	-	-	-	-
Share of other comprehensive income of a joint venture	(28,823)	(0.00)	-	-	-	-
Other comprehensive income for the year	(4,622,677)	(0.30)	-	-	-	-
Total comprehensive income for the year	198,884,958	12.93	317,281,211	13.01	306,813,867	14.08
Basic earnings per share						
Earnings Per Share	0.63		0.98		0.95	

United Palm Oil Industry Public Company Limited and its subsidiaries

◦ Cash flow statement for the year ended 31 December

	<u>2023</u>	<u>2022</u>	<u>2021</u>
	Baht	Baht	Baht
Cash flows from operating activities			
Profit (loss) before tax	236,571,114	387,441,604	352,608,772
<i>Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:</i>			
Depreciation and amortization	46,928,675	42,761,226	43,044,047
Share of (profit) loss of a joint venture	(62,546,571)	(35,879,521)	(3,572,980)
Gain arising from change in fair value of biological assets	15,148,176	(89,278,804)	(25,902,143)
Loss on write-off bearer plants	15,874	2,855,555	116,730
Reduction of inventory cost to net realizable value (reversal)	(8,859,336)	8,859,336	(4,963,486)
Loss on impairment of assets	(49,547)	(18,356,182)	15,588,502
Loss on write-off asset	(541,914)	-	-
Loss on disposal/write-off Property, Plant and Equipment	(1,065,669)	2,765,678	4,479,476
Gain on finance lease agreements	-	-	-
Provision for termination benefits and provision for long-term employee benefits	(1,325,752)	1,406,039	2,279,402
Interest expenses	4,618,373	2,817,816	4,445,685
	228,893,423	305,392,747	388,124,005
Operating assets (increase) decrease:			
Trade and other receivables	(35,723,652)	189,876,532	(188,352,308)
Cash received from financial lease receivables	764,435	1,721,126	1,567,065
Advance to employees	10,372	(2,410)	(1,572)
Inventories and biological asset	28,801,354	9,282,404	(104,540,367)
Other current assets	1,686,360	4,235,487	3,836,948
Other non-current assets	161,096	3,405,074	(3,105,137)
Operating liabilities increase (decrease):			
Trade and other payables	504,262	(6,147,558)	17,918,249
Other current liabilities	(1,407,456)	393,704	3,886,879
Cash paid for termination benefits and long-term employee benefits	(5,318,414)	(1,487,267)	(3,312,139)
Cash flows from operating activities	218,371,780	506,669,839	116,021,623
Cash paid for interest expenses	(4,588,646)	(3,084,473)	(4,179,391)
Cash received (paid) from income tax	(36,733,867)	(74,822,353)	(22,506,599)
Net cash flows from operating activities	177,049,267	428,763,013	89,335,633

	<u>2023</u>	<u>2022</u>	<u>2021</u>
	Baht	Baht	Baht
Cash flows from investing activities			
Decrease in long-term loan to other company	920,000	920,000	920,000
Proceeds from disposal of Property, Plant & Equipment	2,776,811	210,393	3,103,365
Cash paid for acquisition of Property, Plant & Equipment	(72,059,429)	(48,124,898)	(31,225,220)
Increase in cost of bearer plants	(4,902,640)	(5,924,064)	(4,394,373)
Increase in intangible assets	(235,186)		
Dividend received	30,000,000	-	-
Net cash flows used in investing activities	(43,500,444)	(52,918,569)	(31,596,228)
Cash flows from financing activities			
Decrease in short-term loans from financial institutions	90,000,000	(105,000,000)	(100,000,000)
Cash paid for lease liabilities	(408,731)	-	-
Cash received from long-term loan	-	-	110,000,000
Repayment for long-term loan	(58,333,334)	(41,666,666)	(10,000,000)
Dividend paid	(145,810,305)	(162,023,950)	(64,796,864)
Net cash flows from (used in) financing activities	(114,552,370)	(308,690,616)	(64,796,864)
Net increase (decrease) in cash and cash equivalents	18,996,453	67,153,828	(7,057,459)
Cash and cash equivalents at beginning of year	99,936,008	32,782,180	39,839,639
Cash and cash equivalents at end of year	118,932,461	99,936,008	32,782,180
Supplemental cash flows information :			
Non-cash transactions			
Purchase of equipment for which no cash has been paid	1,225,338	1,495,760	770,947
Increase in right-of-use assets from contract modification	-	520,474	137,682

- Financial ratio - Consolidated

		<u>2023</u>	<u>2022</u>	<u>2021</u>
Financial ratio				
Current ratio	Times	3.3	4.7	2.7
Quick ratio	Times	1.1	1.1	1.1
Cash flow liquidity ratio	Times	0.5	2.4	0.3
Receivable turnover	Times	27.0	17.0	15.6
Collection period (Average)	Days	13.5	22	23
Finished Goods Turnover Ratio	Times	6.3	9	10.2
Finished goods period (Average)	Days	58	41	36
Inventory turnover	Times	5.94	8.6	9.4
Inventory period (Average)	Days	61	42	39
Payables turnover	Times	41.0	60.5	63.7
Payment period (Average)	Days	9	6	6
Cash Cycle	Days	66	58	56
Profitability Ratio				
Gross profit margin	%	16	11	17
Operating profit margin	%	12.0	15.8	17
Other income to total income ratio	%	3.7	8.3	4.8
Cash to profit ratio	%	99.7	121.1	25.3
Net profit margin	%	13	13	14.1
Return on equity (ROE) (Average)	%	13.1	21.8	24.4
Efficiency Ratio				
Efficiency Ratio	%	11.3	18	18.9
Return on Fixed assets (Average)	%	22.9	33.7	32.7
Total assets turnover	Times	0.9	1.4	1.3
Financial Policy Ratio				
Debt to Equity ratio	Times	0.16	0.15	0.28
Interest coverage ratio	Times	62.4	153.7	90
Interest bearing debt to EBITDA	Times	0.5	0.2	0.6
Debt service coverage ratio	Times	2.2	6	2.2
Net profit per share	Baht/Share	0.6	0.98	0.95
Dividend from performance per share	Baht/Share	0.30	0.45	0.5
Dividend payment per share	Baht/Share	0.45	0.5	0.2
Dividend payout ratio	%	52.5	53.8	50.2

Report of the Board of Directors' Responsibilities to Financial Reporting

The Board of Directors is responsible for preparing and presenting separate and consolidation financial statement of the Company, United Palm Oil Industry Public Company Limited, and its subsidiaries, for the year ending December 31, 2023. The financial statements must be done accurately, as required by financial reporting standards and accounting principles established by the Federation of Accounting Professions. The selection and consistent application of appropriate accounting policies have been carefully considered, exercising caution and providing reasonable estimates in the preparation of the financial statements. Sufficient disclosures have been made in the notes to the financial statements, and the financial statements have been audited and have received an unqualified opinion from independent auditors. The financial statements thus reflect the financial status and performance of the past year accurately and provide transparency to shareholders and the general public.

The Board of Directors has appointed the Audit and Cooperate Governance Committee, comprising independent directors, to oversee the quality of financial reporting, evaluate the internal control system, risk management system, and various processes to support effective financial information and documentation. This is to ensure the proper recording, completeness, timeliness, and adequacy of accounting records to secure assets and prevent fraud or significant irregularities.

The Audit and Cooperate Governance Committee's comments and oversight on this matter are presented in the report of Audit and Cooperate Governance Committee, which is included in this annual registration statement. The Board of Directors believes that the Company's overall internal control system is effective and provides reasonable confidence in the reliability of consolidation and consolidated financial statements of United Palm Oil Industry Public Company Limited and its subsidiaries, including other information included in the annual registration statements for the year ending December 31, 2023.



(Assoc.Prof Naris Chaiyasoot, Ph.D.)
Chairman



(Ms. Anchalee Suebchantasiri)
Managing Director

5. General Information and Other Important Information



5.1 General information

Registrar

Name : Thailand Securities Depository Company Limited.
Address : 93 The Stock Exchange of Thailand Building
 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400
 Tel : 02-009 9000
 Fax : 02-009 9991

Auditor

Name : Mrs. Kunlapee Piyawannasuth
 Certified Public Accountant No. 6137
Address : EY Office Limited
 33rd Floor, Lake Rajada Office Complex,
 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
 Tel : 02-264 0777, 02-661 9190
 Fax : 02-264 0789-90, 02-661 9192

No. of years being the Company's Auditor : 1
 Relationship or financial interest with the Company/
 the Company's subsidiaries/ the management / : None
 major shareholders/ any relevant persons of the aforementioned

5.2 Other Important Information

--- None--

5.3 Legal disputes

(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.

The Company does not have any 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, 2022

(2) Cases that have a significant impact on the Company's business operations.

The Company has no cases that have a significant impact on its business operations as of December 31, 2023.

(3) Legal cases which do not involve the normal business of the Company.

The Company does not have any Legal cases which do not involve the normal business of the Company.

Section 2

Corporate Governance

6. Corporate Governance Policy



The Company, United Palm Oil Industry Public Company Limited, recognizes the importance of good corporate governance principles, which are essential factors in promoting transparency, fairness, and equitable treatment of stakeholders. The organization operates with an efficient management system, coupled with social and environmental responsibility, aiming to create sustainable business value. The Board has considered the appropriateness of adopting the CG CODE and resolved to implement it in line with the Company's business context. If there are any principles that cannot be applied or have not yet been implemented, the reasons will be explained in the Board meeting. Additionally, the Company has announced the adoption of code of conduct to ensure that all personnel in the Company adhere to the principles of good corporate governance.

6.1 Overview of Corporate Governance Policy and Guideline



The Company has consistently adhered to the policies and practices of corporate governance, aligning them with the organization's values over an extended period, thereby integrating them into the corporate culture. However, in response to contemporary changes in values, situations, and standard system requirements, certain modifications have been implemented to modernize specific aspects of these practices and enhance the completeness of content details. As a result, it was advised to thoroughly review both the corporate governance policy and relevant requirements. This review involves categorizing them to clearly communicate their importance to each group of stakeholders. Such an approach ensures comprehensive coverage across all dimensions, encompassing good corporate governance, environmental stewardship, and adherence to human rights principles. For further details, please refer to the attached document 5.

8 Principles of the Corporate Governance Code



1 Establish Clear Leadership Role and Responsibilities of the Board

2 Define Objectives that Promote Sustainable Value Creation

3 Strengthen Board Effectiveness

4 Ensure Effective CEO and People Management

5 Nurture Innovation and Responsible Business

6 Strengthen Effective Risk Management and Internal Control

7 Ensure Disclosure and Financial Integrity

8 Ensure Engagement and Communication with Shareholders

6.1.1 Policies and Practices Related to the Board of Directors

The Board of Directors has assigned the Audit and Corporate Governance Committee to establish plans and measures for monitoring compliance with good corporate governance principles. This includes implementing and assessing adherence to such principles and providing recommendations for improvement as appropriate.

The Company is committed to utilizing good corporate governance principles as the management system of the Company. This is to promote fairness, instill confidence in investments, and create long-term value for shareholders. It aims to build trust among all stakeholders and ensures that the Company is managed appropriately, efficiently, and with maximum effectiveness, leading to sustainable growth.

The Company has policies and practices related to shareholders and stakeholders, covering the oversight of shareholders, equitable treatment of shareholders, rights of shareholder, prevention of use of inside information, prevention of conflicts of interest, responsibility to stakeholders, measure of redress and damage, anti-corruption action and measures against individuals who act contrary to the established policies and practices. These policies and practices were reviewed and approved by the Company's Board on February 22, 2024.

Corporate Governance Policy

The Company has undertaken a comprehensive review and revision of its corporate governance policy, aligning it with relevant laws, best practices, business operations, and economic and social changes. The updated policy has been communicated to the Board of Directors, executives, and employees at all levels to ensure widespread awareness and adherence to these practices. This is aimed at conducting business with integrity. The Board of Directors has established a good corporate governance policy consistent with the eight principles of good corporate governance.

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

The Board of Directors has established the following policies for good corporate governance:

- The Company's Board of Directors, including the managing director, and management, has clearly defined roles and responsibilities. The Board's responsibilities include the selection and expression of opinions on the overall direction and strategy of the business. Meanwhile, the roles of the managing director, and management involve hiring of all employees and the day-to-day control of business operations.
- Define the Company's vision, strategy, policies, and key plans, taking into account risk factors and laying out appropriate management guidelines. This is based on a commitment to social and environmental responsibility and is aimed at sustainability.
- Conduct recruitment and adhere to the principles of good corporate governance, following the relevant processes as outlined below:
 1. *Process of director appointment*
 2. *Determining remuneration for directors and executives*
 3. *Independence of the Board from the management*
 4. *Board development*
 5. *Performance evaluation of the Board as a whole and individuals*
 6. *Supervision of operations of subsidiaries and joint ventures*
 7. *Appointment of subcommittees (reference 7.3.2)*
- Implement a policy to promote and support training and development for the Board, executives, and employees, aimed at enhancing knowledge, skills, and beneficial experiences for effective job performance. This is beneficial for driving the organization towards its goals.
- Establish a risk management policy as an integral part of management to ensure that the objectives, goals, and various strategies of the Company can be implemented and achieved. Every executive and employee in the Company take ownership of the risks and has a responsibility to assess the risks within the organization, including operational processes, and evaluate the effectiveness of existing control measures.
- Provide accurate, complete, reliable, and timely information to assist shareholders in making investment decisions, including decisions on exercising voting rights at shareholder meetings. Evaluate the effectiveness of the information disclosure process within the specified timeframes.
- Establish an appropriate process that allows shareholders to express their opinions, including the proposal of meeting agendas and nominations for director appointments. Disclose information in accordance with the good practices set forth by the Thai Investor Association, implementing this practice uniformly for all shareholders.
- Prioritize and support the implementation of new innovations or technologies that create value for the business, especially those that provide benefits to customers or stakeholders. This includes utilizing various types of waste from the production process to reduce costs and selling the remaining to generate sustainable revenue for the Company, with consideration for the environment. In the near future, the Company anticipates developing and expanding into new products.

(1) Process of Director Appointment

The Nomination Committee is responsible for proposing suitable candidates for consideration and election at the shareholders' meeting based on the criteria specified in the Company's Articles of Association. The Nomination Committee carries out the processes of recruitment, assessment, selection, and proposing candidates who have passed the evaluation to the Board.

The Board considers relevant experience for the duties of the Board and the ability to align the Board's operations with the Company's business strategy and ensuring comprehensive governance. This includes decision-making in business, strategic thinking, leadership, professional expertise, integrity, and other relevant personal qualities. The evaluation process also places importance on benefiting from diversity in various aspects such as gender, age, ethnicity, nationality, and expertise.

In 2023, the Nomination Committee proposed Mr. Anusorn Buranakanon to be elected as a new director who possesses the knowledge, abilities, and experience aligned with the Company's business strategy.



(3) Independence of the Board from the Management

The Board of Directors consists of 7 members, including:

- Three independent directors
- One non-executive director
- One director
- Two executive directors

The number of independent directors exceeds the minimum requirement set by the SEC (one in three of the total committee members).

The non-executive directors hold meetings at least once a year independently, without the management present. This is to discuss various management issues of interest. The result of the meeting shall be communicated to the Board or the managing director.

(2) Determining Remuneration for Directors and Executives

• Remuneration for Directors

The Remuneration Committee is responsible for considering and establishing criteria and payment structures for the remuneration of directors. The Committee proposes the remuneration to the Board of Directors for approval at the shareholders' meeting. The remuneration is determined based on their experience, duties, roles, and responsibilities, benchmarked against other companies in the same industry. This comparison serves as a criterion for assessing director remuneration each year. The objective is to provide remuneration that is sufficient to motivate and retain high-quality directors in line with the Company's needs.

• Remuneration for Executives

The remuneration for c-level executives will adhere to the criteria and policies set by the Remuneration Committee each year. These criteria align with the knowledge, skills, and performance of the Company. The Remuneration Committee reviews and proposes the Board an appropriate remuneration amount for approval. The remuneration structure is considered as a motivational tool to encourage c-level executives to align their performance with the organization's objectives and long-term business benefits.

The Company does not provide any additional remuneration, except for airfare, accommodation, and meals for foreign directors attending meetings. Additionally, the Company provides insurance coverage for directors and executives to mitigate risks arising from the performance of their duties for the Company. However, this coverage does not extend to losses resulting from intentional or fraudulent acts.

(4) Director Development

• Director and executive development

The Company conducts orientation for new directors and executives, introducing them to the nature of the business and providing an overview of the Company's operations. This includes subsidiaries and joint venture. Mill visits are organized to observe the production processes and plantation areas, including nurseries and the Company's palm seed breeding. In addition, document is provided to newly appointed directors as follows:

- Director's handbook
- New director and executive orientation handbook, covering various important topics, including:
 - Information or documentation disclosed in accordance with the law including: 1) Report on the Company's stock trading 2) Conflict of interest involving oneself, spouse, and close relatives who are major shareholders, directors, and executives in the business 3) Relationship with the Company such as customers and major suppliers.
 - Memorandum and Articles of Association of the Company
 - Scope, duties, and responsibilities of the Board of Directors and subcommittees,
 - Minutes of previous year's Board of Directors' meetings and meeting schedules
 - Good corporate governance policy and code of conduct
 - Legal disputes
 - Latest version of Annual Registration Statement (Form 56-1 One Report)

Furthermore, the Company arranges a meeting between the new director, the Chairman of the Board, and the managing director prior to the first Board of Directors' meeting. Additionally, the Company has a policy to promote and support training and development for directors, aiming to enhance their knowledge, skills, and experiences beneficial for their duties, as well as advantageous for the business, contributing to driving the organization toward its goals.

(5) Performance Evaluation of the Board as a Whole and Individuals

• Board of Directors

The directors are required to conduct self-assessments based on the evaluation form provided by the Corporate Governance Center. The performance assessment is conducted annually, typically in November. Each director is required to submit their self-assessment form to the Company secretary for the collection of evaluation results. The compiled results are then communicated to the Board of Directors for acknowledgment, and this information serves as a basis for determining improvement guidelines in performing duty.

• Managing director

The Board has evaluated the annual performance of the managing director using key performance indicators that reflect both quantitative and qualitative aspects of the Company's overall performance. In this process, the Remuneration Committee, composed of independent directors and the Committee's Chairman is also independent, is responsible for considering these crucial indicators. The evaluation process is transparent and aligned with the Company's business. The assessment covers the following topics:

- Leadership
- Strategic planning and performance
- Financial planning and financial performance
- Relationship with the Board of Directors
- Risk management and internal control
- Wealth creation to shareholders



(6) Supervision of Operations of the Subsidiaries and Joint Venture

The Company has a policy for supervising subsidiaries and joint venture as follows:

1. Appointment of directors and executives for subsidiaries and joint venture.
2. Oversight of the internal control systems of subsidiaries and joint venture.
3. Ensure that subsidiaries and joint venture disclose critical information accurately and in a timely manner.
4. Monitor to ensure that subsidiaries and joint venture adhere to the established policies.

6.1.2 Policies and Practices Related to Shareholders and Stakeholders

(1) Equitable Treatment of Shareholders

- The Company has regulations that value all shareholders by protecting their fundamental rights equally and fairly. This includes applying the 'one share one vote' principle in general agendas and implementing 'cumulative voting' in the election of directors. These measures are designed to ensure the investment confidence of shareholders.
- 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 has established a policy regarding the prevention of using inside information and has communicated this policy to employees, executives, and the board of directors.
- The Company discloses transactions conducted between itself and its subsidiaries. Such transaction shall be carried out fairly at market prices and in accordance with fair and at arms' 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 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.
- At the Annual General Meeting of Shareholders, the Company segregates the director election agenda from the approval of remunerations for the Company's Directors. In the case of a physical meeting, the Company utilizes voting cards for director elections and nominates directors for shareholders to vote for individually. However, during electronic meetings, shareholders will cast their votes through an electronic system provided by a company certified by the Electronic Transactions Development Agency, in compliance with the Emergency Decree on Electronic Meetings, B.E. 2563 (2020). It should be noted that the Company's director election process employs cumulative voting, affording individual shareholders the opportunity to vote for directors they find suitable and promoting a balanced representation of all votes.
- 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 45 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 the case of a physical meeting and 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.

For electronic meetings (E-meetings), shareholders will cast their votes through a company's electronic system, which is a certified service for meeting control by Electronic Transactions Development Agency, in compliance with the Emergency Decree on Electronic Meetings, B.E. 2563 (2020).

- 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 opportunity is provided for shareholders to ask questions and record both questions and answers that are of significant concern, along with explanations from the Board of Directors. Additionally, a clear recording of the number of votes from shareholders who approve, disapprove, or abstain is made in every agenda item requiring a vote in the meeting report. Two shareholder representatives are invited to act as witnesses during the vote counting process at the meeting, and video recording is maintained throughout the meeting until its conclusion.
- 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 minute 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.
- Participating in the "SET Opportunity Day" event, organized by the Stock Exchange of Thailand, the Company's objective is to engage in investor relations activities. It provides information about the Company's business and operations to securities analysts, investors, and the general public attending the event. The Company regularly participates in this event at least once a year. In the year 2023, Ms. Anchalee Suebchantasiri (Vice Chairman and Managing Director) and Ms. Piyathida Sukchan (Executive Director) provided information about the Company to investors on Opportunity Day on September 8, 2023.



In organizing the Annual General Meeting 2023, the Company undertook the following actions:

Before AGM

- The Company promoted and facilitated opportunities for shareholders to exercise their rights by proposing agenda items for the meeting and nominating individuals with appropriate qualifications for consideration as Company directors. This process commenced on November 11, 2022, and concluded on January 31, 2023. The announcement was made through the Company's website and the Stock Exchange of Thailand.
- The Company passed a resolution regarding the Board of Directors' meeting on February 23, 2023, as follows:
 - 1) The Annual General Meeting of Shareholders No. 47, was scheduled for April 7, 2023, conducted through electronic mean.
 - 2) The record date for determining the list of shareholders entitled to attend the meeting and receive dividends was set for March 10, 2023
- The Company has published the invitation to the Annual General Meeting of Shareholders No. 47, along with the complete meeting materials, through the website of the Company and the Stock Exchange of Thailand on March 7, 2023, providing shareholders sufficient time to study the information and consider appointing proxies or other individuals.
The Company has prepared the invitation and meeting materials in both Thai and English languages, with details as follows:
 - 1) Each agenda's detail
 - 2) Annual Registration Statement 2022 (FORM 56-1 One report) (QR Code)
 - 3) Information of the Nominated Directors to be elected
 - 4) Information of Independent Directors who may be appointed as the shareholders' proxy
 - 5) Company's Articles of Association related to Shareholders' Meeting and voting
 - 6) Guidelines for attending the Annual General Meeting of Shareholders (Conducted Through Electronic Means) (E-AGM), and appointing proxy
 - 7) Proxy form B
 - 8) Request form for Annual Registration Statement 2022 (FORM 56-1 One report)
 - 9) The registration form for attending the E-AGM
 - 10) Privacy Notice for the E-AGM No. 47
- The Company provided an opportunity for shareholders to submit questions to inquire about information on each agenda or other Company-related details in advance through the Company's website and the Stock Exchange of Thailand website. This opportunity has been available since March 7, 2023.

AGM Date

- The Company held the Annual General Meeting of Shareholders No.47 on Friday, April 7, 2023, at 10:00 AM. The meeting was conducted through electronic means (E-AGM) and broadcasted on the 6th Floor Conference Room of the Company's Head Office located at No. 64 Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok 10260.
- At the commencement of the meeting, Ms. Anchalee Suebchantasiri, Vice Chairman and Managing Director, announced that there were 4 shareholders present in person, holding of 13,223 shares. Additionally, there were 26 proxy attendees, holding of 229,336,610 shares. The shareholders attending the meeting accounted for 70.8 percent of the issued and fully paid-up shares. Furthermore, an explanation was provided regarding the voting process, the method of counting votes, and the announcement of the voting results.
- The directors and sub-committee members attending the meeting constitute 85.7%. Additionally, the Company secretary, the vice president – account and finance, the auditor, and legal advisors also participated in the meeting to respond to questions on various agenda items.
- The Company conducted the meeting in accordance with the Company regulations and the agenda specified in the meeting invitation. There were no alterations, additions, or changes to the agenda during the meeting.
- For each agenda, the Company provided an opportunity for shareholders to ask questions or express opinions during the meeting before the voting process.
- The Company ensured transparent voting by utilizing cumulative voting for the election of directors. Regarding the verification of vote counting, the Company disclosed the results with the resolutions approved, disapproved, and abstained, without any shareholders challenging the voting results.

After AGM

- The Company disclosed the shareholder meeting resolutions through the Stock Exchange of Thailand news system on April 7, 2023. The voting results for each agenda item were specified, including approvals, disapprovals, and abstentions.
- The Company recorded video of the meeting and published it on the Company's website on April 19, 2023.
- The Company prepared the minute of the meeting in both Thai and English and submitted to the Stock Exchange of Thailand and the Company's website on April 19, 2023. This is to facilitate shareholders in receiving and reviewing the information.

(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 UPOIC'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 four 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 and shall refrain from buying and selling UPOIC's shares in the period of one month prior to the Company's financial statements being announced and at least one day after the date of the financial statements being disclosed.
- Directors and executives shall report to the Board of Directors or the delegated person about their transaction (buy and sell) of the Company's shares at least one day before the transaction date and notify the SEC within three 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 UPOIC share price, which has not yet disclosed to the public, for personal gains and/or persuading other persons to buy or sell UPOIC shares. The Company shall take action against violation of the rule which shall be punishable by the law.

The management may engage in the transaction between the Company and its subsidiaries if the transaction falls into the following categories:

- 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.
- Being reasonable advance payments occurring in the normal course of business operation and with reimbursement on an actual basis

(4) Prevention of 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:

- Person with interest or potential conflict of interest shall refrain from approving such related transaction;
- 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;
- 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.
- The Company shall disclose the transaction according to the rule and procedure set out by SEC and SET.
- The Company has a policy that mandates directors, executives, and related parties to disclose their interests, as outlined in the Notification of the Capital Market Supervisory Board no. Tor Jor. 2/2552.
- 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 send a copy of the report received to the Chairman of the Board of Directors and the Chairman of The Audit and Corporate Governance Committee within 7 business days from the date of receiving such report.

In this regard, 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 Board's meeting.

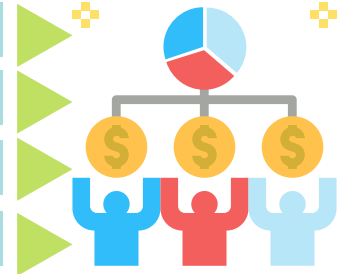
(5) Responsibility to Stakeholders

Consideration of stakeholder roles

The Company has a policy to preserve the rights and benefits of every stakeholder, including employees, shareholders, creditors, customers, business partners, competitors, communities, and society. However, since the expectations of stakeholders may vary, the Company will carefully examine the legal rights that each group is entitled to and ensure that these rights are protected and exercised with caution. The Company has established guidelines for responding to the needs of stakeholders as part of its policies and practices regarding stakeholders, which are publicly disclosed on the Company's website.

- Policy and Practices on Human Rights
- Policy and Practices on Quality, Safety, and Occupational Health

- Code of conduct
- PDPA
- Sustainability policy
- Corporate governance policy



(6) 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.

(7) Anti-corruption Action and Measures against Individuals who Act Contrary to the Established Policies and Practices.

Anti-corruption policy

Anti-corruption is an integral part of the corporate governance policy. The Company has an official anti-corruption policy that has been reviewed and approved by the Company's board of directors, 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.”

The Company communicates its anti-corruption policy and provides channels for reporting complaints or suggestions within the Group through various internal and external media, such as email, announcements, the Group's website, and the Annual Registration Statement (Form 56-1). The orientation for directors and employees is conducted to facilitate direct and confidential communication for those who wish to file complaints. The full version of the anti-corruption policy can be found in the **Corporate Governance Policy on pages 157**

In 2023, none of corruption cases were found.

Practice towards oversight and control for safeguarding and monitoring the corruption risk

The Company establishes practices for supervision, oversight, and control to prevent and monitor the risks of corruption and corporate misconduct. In summary:

- 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.
- 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 Company will keep complaints confidential and will not disclose them to unrelated parties, except where necessary to disclose according to legal requirements.
- Persons involved who have knowledge of or information related to the complaint must keep the information confidential and not disclose it to others, except where necessary as required by law. If there is intentional violation leading to the unauthorized disclosure of information, the Group will take disciplinary action according to the regulations of the Group and/or take legal action as appropriate.
- The executives in each department are responsible for monitoring the progress of actions related to the specific complaint and presenting reports to the Audit and Corporate Governance Committee, and the Company's board of directors is informed accordingly.

Measures for dealing with individuals who do not adhere to the aforementioned policy and guidelines include:

- General violations, such as failure to comply with policies leading to damage to the Company's reputation. The Company will be subject to penalties in accordance with the Company's regulations and/or legal action, depending on the nature of the violation and the severity of the resulting impact.
- Violations related to finance, fraud, internal information misuse, and conflicts of interest shall be handled as follows:
 - In the event that directors, executives, managers, and employees commit criminal offenses under the securities and stock market laws intentionally, the Company will take one or more of the following punitive actions:
 - (1) Cut wages or compensation or other benefits
 - (2) Lay off, 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.
 - (3) Report the violation to the SET and/or the SEC
 - (4) Report to the police to take action according to the law
 - (5) Take other measures according to the resolution of the Board or the shareholders' meetings.

6.2 Code of Conduct

The Company is aware that in every operational process, from seed cultivation, seedling production, planting, oil extraction, and all related business activities, it needs to enhance its competitiveness and be widely recognized in the palm oil industry. The Company is committed to achieving this by using high-yielding oil palm varieties to meet the needs of growers, providing excellent customer service, employing internationally standardized production technology and management systems, and maintaining environmental sustainability, biodiversity, and community and social care. Furthermore, the Company prioritizes the constant attention to the health, safety, and welfare of its employees. Additionally, it aims to instill confidence in customers, growers, and stakeholders by allocating returns and benefits appropriately. The ultimate goal is to succeed and become a leading palm oil company with sustainable growth on a global scale, promoting strong competitiveness worldwide. The Company recognizes the importance of cooperation from its personnel in conducting business ethically, aligned with fundamental principles essential for enhancing good corporate governance. This aligns with regulations, rules, provisions, orders, and announcements set by the Company. The Company is committed to fostering the development of an organizational culture where everyone contributes to building and promoting a positive organizational culture. It aims to avoid adverse impacts on stakeholders and emphasizes equality and honesty in business operations. The Company also ensures rigorous and continuous monitoring processes to ensure compliance with these guidelines.

The Company has conducted an annual code of conduct review to align with its activities and the principles of human rights. It also adheres to corporate governance principles to remain contemporary. The Board of Directors reviewed and approved these practices during a meeting on February 22, 2024. Additionally, the Company places a significant emphasis on code of conduct, making it a key topic during the orientation sessions for new directors, executives, and employees. Currently, all employees have received comprehensive training in this regard.



6.3 Material Changes and Developments regarding Policy, Guidelines and Corporate Governance System in the Preceding Year

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

The Company has reviewed its Corporate Governance Policy, referring to the principles of good corporate governance, 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 2017 Corporate Governance Code for Listed Companies as prescribed by the Office of Securities and Exchange Commission. The Board of Directors has considered and found that the Company has largely implemented all 8 principles in line with the business context of the Company.

In 2023, the Company undertook a comprehensive review of its corporate governance policy to ensure its relevance and alignment with current practices. The revised policy was presented to the Board of Directors for approval on February 22, 2024. Additionally, the Company consistently conducts self-assessments and actively participates in the Corporate Governance Report of Thai Listed Companies 2023, organized by the Thai Institute of Directors (IOD), where the Company received a score of 100%

6.3.2 CG Code that has not adopted

As a result of participating in the Corporate Governance Report of Thai Listed Companies project in 2023, the Company has received recommendations for improving its corporate governance practices, as outlined below:

Catergories	Best practice	Management's Explanation
Board responsibilities	-To not allow independent directors to continually assume director positions for not longer than 9 years since the date of the first appointment.	Not yet implemented. Every Director has knowledge, capability, experience and an understanding in the business operation, with independence in expressing opinions deemed beneficial for the Company. The experience of Directors from long-term tenure will support them to understand the Company's operation which has the particular nature of business.
	- To determine a minimum quorum of at least 2/3 when the Board making the decision.	Not yet implemented. According to the Company's AOA, at the Board Meeting, there must be presented not less than one half of the total number of Directors to form a quorum which is legitimacy and compliance with international principle. With such principle, it is able to conduct meeting orderly, transparency and efficiency.

6.3.3 Alternative corporate governance practices for diverse assessments.

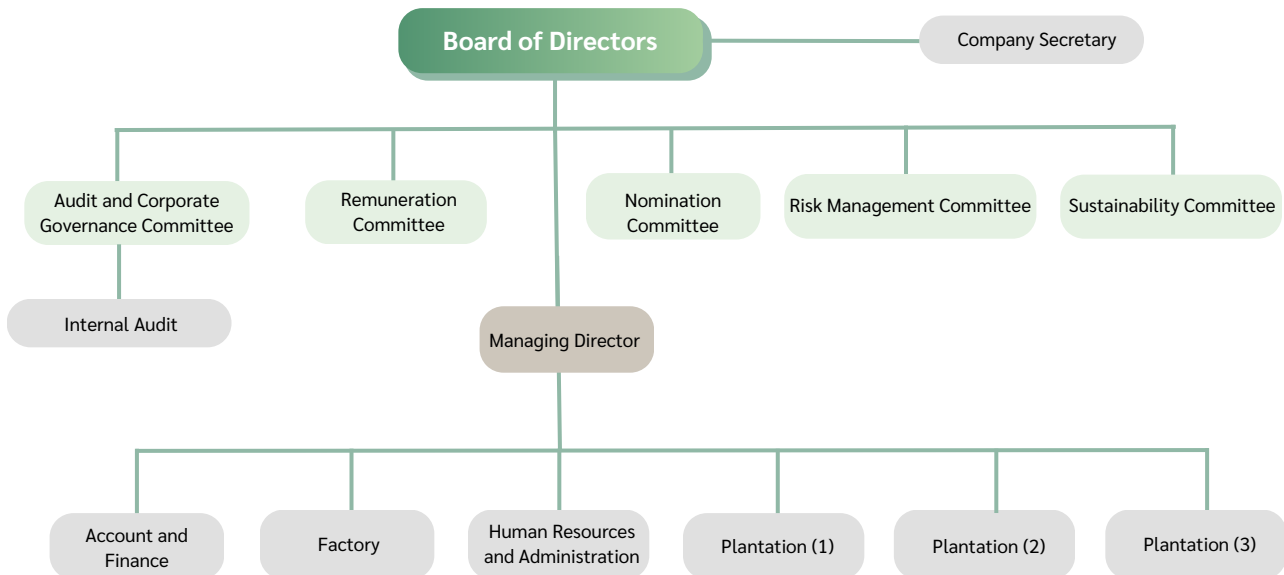
From participating in the Corporate Governance Report of Thai Listed Companies project in 2023, by the IOD, the Company received an overall average score at the highest level, which is 5 stars, with a score of 100 percent. Additionally, in participating in the evaluation of the quality of Annual General Meetings (AGM) organized by the Thai Investors Association (TIA), the Company achieved a level of 4 medals and received a score of 90 points.

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



7.1 Corporate Governance Structure

On December 31, 2023, the corporate governance structure consists of the Board of Directors and subcommittees as follows:

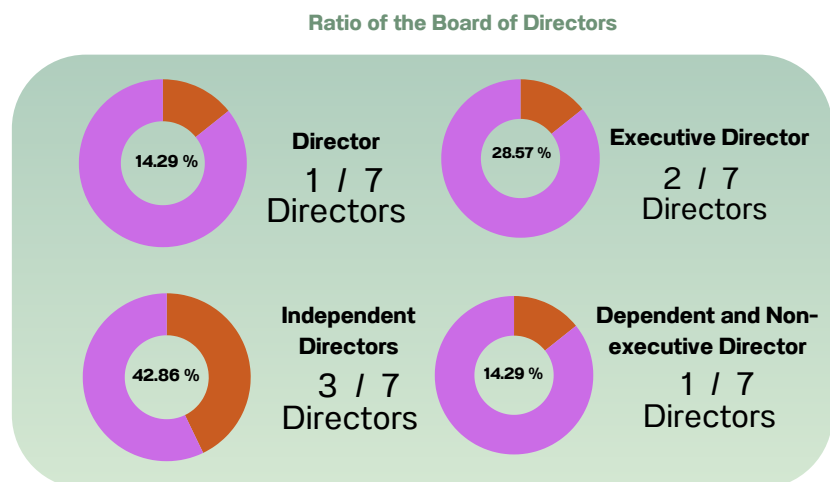
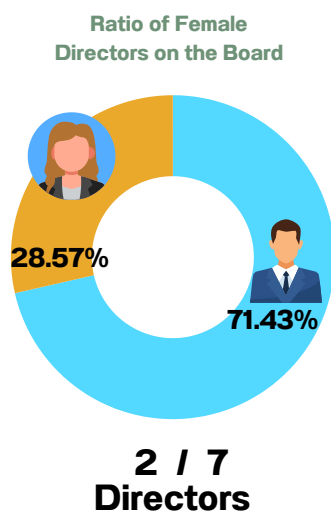


7.2 Board of Directors

7.2.1 Composition of the Board

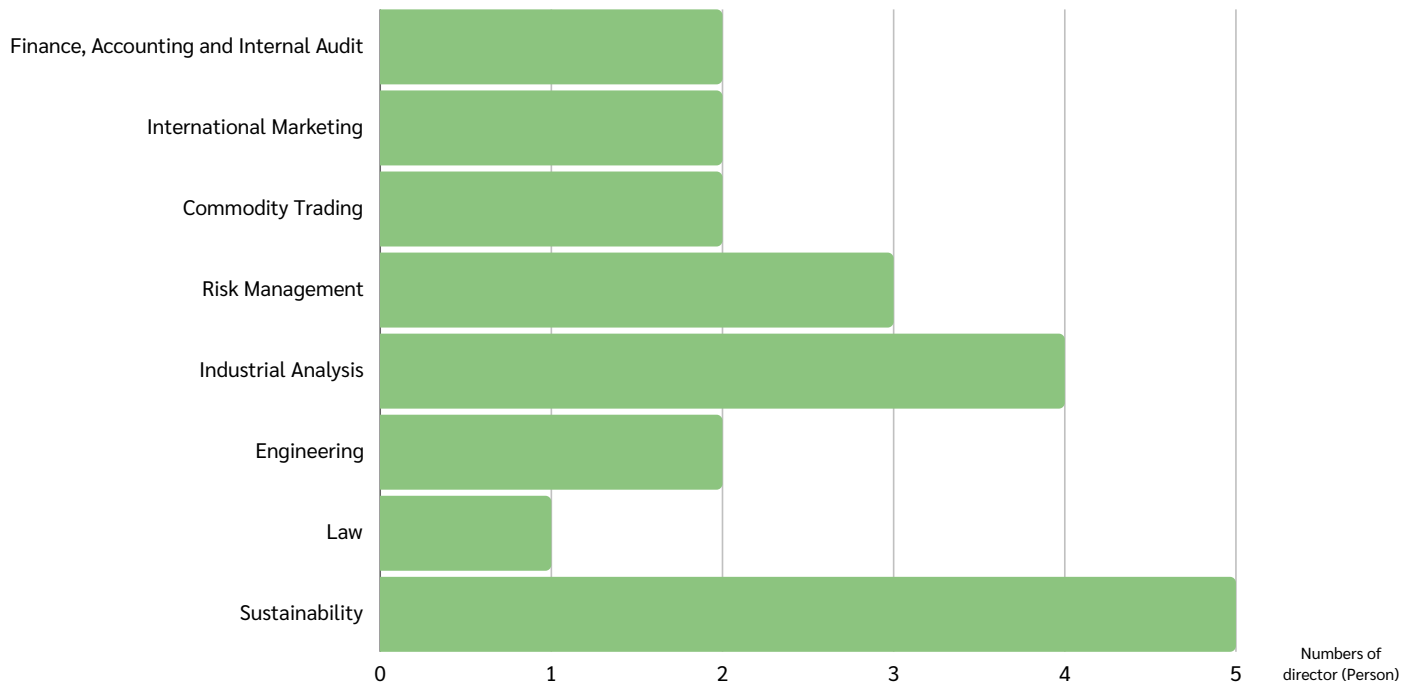
The Board of Directors consists of 7 persons: 3 independent directors, 1 non-executive director, 1 director, and 2 executive directors. The composition complies with the regulation issued by the SEC, which requires at least 1 independent director out of 3 directors. In addition, a new board of directors shall be elected annually while considering diversity of the composition, such as skills, educations, expertise that is beneficial to the Company's business, gender, age, race, and nationality.

Additionally, the Company establishes a goal and indicator that relate to such diversity policy and refer to the best practices of listed company. This includes stipulating ratio of female directors on the Board to be at least 2 and ratio of non-executive directors to be at least 1 out of 3 directors.



To comply with the Company's goals and best practices regarding the corporate governance of listed companies, the directors collectively created the Board Skill Matrix during the Board of Directors meeting No. 6/2023. The board skill matrix outlines each director's qualifications, including finance, accounting, internal audit, international marketing, commodity trading, risk management, industrial analysis, engineering, law, and sustainability. The Board of Directors acknowledged the outcome of the Board Skill Matrix on November 7, 2023.

BOARD SKILL MATRIX



7.2.2 Information of the Board

On December 31, 2023, the Board of Directors consist of 7 persons as listed below:

- 1) 2 Executive directors
- 2) 5 non-executive directors:
 - 3 independent directors
 - 1 dependent and non-executive director
 - 1 director

Definition

- An executive director refers to a director who holds a position as an executive and involves in the day-to-day management of the Company.
- A non-executive director is a board member who does not hold an executive position and is not involved in the day-to-day management of the Company. This director can be either dependent or independent.
 - An independent director is an outside director who is not involved in the day-to-day management of the Company and is not a major shareholder. Additionally, the independent director should maintain independence from major shareholders, groups of major shareholders, or other stakeholders.
 - A dependent and non-executive director is the director that represents the major shareholders but does not involved in the day-to-day management of the Company.
 - A director is the director that does not hold a position as an executive but is the authorized director due to the Certificate of Incorporation of the Company.

Board of Directors

- | | |
|---------------------------------------|--|
| 1. Assoc.Prof Naris Chaikasoot, Ph.D. | Independent Director and Chairman of the Board
Chairman of Audit and Corporate Governance Committee
Member of Nomination Committee
Member of Remuneration Committee |
| 2. Ms. Anchalee Suebchantasiri | Vice-Chairman of the Board of Directors and Managing Director
Chairman of Risk Management Committee
Member of Sustainability Committee |
| 3. Mr. Anusorn Buranakanonda | Independent Director
Member of Audit and Corporate Governance Committee
Chairman of Nomination Committee
Chairman of Remuneration Committee |
| 4. Mr. Wasin Patchakapati | Independent Director
Member of Audit and Corporate Governance Committee
Member of Nomination Committee
Member of Remuneration Committee
Chairman of Sustainability Committee |
| 5. Mr. Whang Shang Ying | Director
Member of Nomination Committee
Member of Remuneration Committee |
| 6. Ms. Piyathida Sukchan | Executive Director
Member of Risk Management Committee |
| 7. Mr. Ampol Simarojana | Dependent and Non-Executive Director
Member of Risk Management Committee |

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

7.2.3 Duties of the Board and Chairman of the Board

Duties and Responsibilities of the Board

- (1) Review and approve the vision, mission, strategy, objectives, risk, plan and budget of the Company. Ensure adherence to the strategy, aiming for efficient and effective outcomes, competitiveness, and a strong overall business performance. Consider long-term impacts on business ethics, respect for rights, and consideration for shareholders. Take responsibility for society and the environment, responding to rapidly changing business environments. Support the creation of innovative solutions within the organization, and regularly review the aforementioned vision, direction, and strategy on an annual basis.
- (2) Control and supervise the management in the implementation of the business plan to achieve the objectives and increase the wealth for the shareholders.
- (3) Set a Corporate Governance Code and encourage every employee in the organization to implement the Code, assessment of Code implementation and reviewing the Code at least once a year.
- (4) Set a code of 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) Set up internal control system, internal auditing, and measures for risk management as well as regularly monitoring the same.
- (6) Appoint subcommittees, assignment of roles, duties and responsibilities of each subcommittee.
- (7) Have clear communication regarding the roles, duties and responsibilities of the Board, Audit and Corporate Governance Committee, Remuneration Committee, Nomination Committee, Risk Management Committee and Sustainability Committee.
- (8) 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 (Form 56-1 One Report) as well as disclosure of information to meet the requirement of law and relevant government authorities.
- (9) Set guideline for reviewing the suitability of transaction with potential conflict of interest.
- (10) Arrange at least one board meeting 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.
- (12) 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.
- (13) Such other duties and responsibilities stipulated by law, the Articles of Association, and resolutions passed at shareholders' meeting.

In 2023, the Company's Directors did not engage in any unlawful or non-compliant activities that led to criminal actions, civil sanctions, or administrative actions contrary to the stringent regulations of the Securities and Exchange Commission (SEC) and the Securities Exchange of Thailand. Additionally, there were no instances of misconduct, fraud, or ethical violations by the Board members.

Moreover, the Company's directors did not receive any fines, sanctions, or civil proceedings by regulatory authorities overseeing fraudulent activities. There were also no resignations of Board members or all independent directors, indicating corporate governance issues or negative incidents affecting the Company's reputation due to the failure of the Board's oversight responsibilities.

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 authorized to jointly sign together with the Company's seal affixed. However, the Board of Directors may specify names of the directors authorized 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 and a report thereof shall be made to the shareholders' meeting at the next meeting.

Nevertheless, there are the following cases stated in the Articles of Association and SEC Announcement Tor.Jor.21/2551 to be conducted at the shareholders' meeting.

- Consideration of the appropriation of profits, reviewing directors' remuneration and the appropriation of a reserved fund.
- Election of new directors in place of those who must retire on the expiration of their terms.
- Appointment of the auditor and fixing his remuneration.
- The sales or transfer of the whole or substantial part of the business of the Company to other persons.
- The purchase or acceptance of transfer of business of other companies or private companies to the Company.
- The amendment of the Memorandum of Association or Articles of Association
- The increase or decrease in the Company's capital or the issuance of debentures.
- The amalgamation or dissolution of the Company.
- The related transaction
 - Transaction without general commercial conditions
 - Transactions relating to products or services
 - Transactions on offering or receiving financial assistance
 - Providing financial assistance to connected person or the company where the connected persons hold more shares than the Company with value over 100 million Baht or 3%NTA, whichever lower
 - Providing financial assistance to a company where the listed company hold more shares than the connected persons
 - Receiving financial assistance
- The annual dividends payment

The Duties and Responsibilities of 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. Besides, jointly with the Managing Director, the chairman defines the agenda of each meeting.

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 summarizing the meeting's resolutions.

3. Play a key role in encouraging the Board of Directors' conformance to corporate governance principles, such as identifying themselves, refraining from voting, and leaving the meeting in case of having conflicts of interest in any agenda
4. Inform the Board of Directors all significant matters.
5. Encourage the Board of Directors to attend shareholders' meeting and preside over such meeting to ensure the meeting efficiency and address shareholders' queries.
6. Encourage the Board of Directors to perform their duties under the scope of authority given by laws, and the corporate governance.
7. Manage key relationship by encouraging good relationship between the Board of Directors and the management

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

Board of Directors' Meeting

The Company shall meet at least once in every quarter provided always that 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 including 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.

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.

The duties and responsibilities of the Managing Director

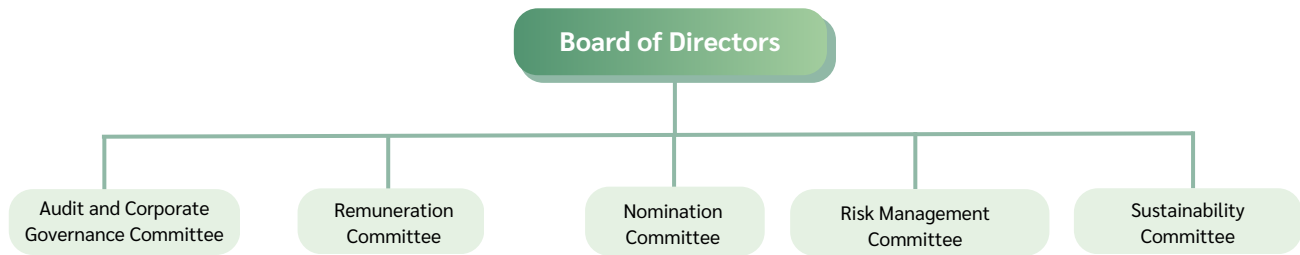
- (1) Conduct the Company business under the approved plans and budgets with rigor and integrity.
- (2) Govern the business to ensure the benefits of the Company, shareholders and stakeholders.
- (3) Enhance and develop a sustainable business, considering corporate governance, society, and the environment.
- (4) Supervise 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.

Managing Director Concurrently Being Directors of Other Companies

The Company does not set the number of companies allowed for the managing director to be directors of subsidiaries, associates, joint venture, or related companies. Nevertheless, the managing director is required to report to the Board of Directors in case of being director of other companies.

7.3 Subcommittees

The Board of Directors appoints 5 subcommittees as listed.



7.3.1 Information of the Subcommittees

Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee comprises of three independent directors. The members of the Audit and Corporate Governance Committee appointed by the Board of Directors with one committee member possessing sufficient knowledge and experience in order to perform duties of reviewing the reliability of the financial statements. The members of the Committee are the 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 SEC and the regulations of the SET. The Chairman of the Committee is the independent director. The term of office shall be 1 year to be ended at the Annual General Meeting of Shareholders (AGM). A Board Meeting will be held after the conclusion of each AGM to appoint each subcommittee.

The Audit and Corporate Governance Committee shall designate a person as Secretary to the Committee to provide support to the 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 Committee. In addition, the Committee shall designate an internal auditor who will directly report to the Committee. The auditor’s role is to investigate and assess the sufficiency of the Company’s internal controls, aiming to enhance effectiveness and efficiency in working performance and contribute to the transparency of working processes.

Duties and Responsibilities of the Audit and Corporate Governance Committee

- (1) Review the credibility and sufficiency of the financial reporting.
- (2) Approve the disclosure of quarterly financial statements to the SET.
- (3) Review the adequacy and effectiveness of internal control systems and internal audit functions and the independence of internal auditing unit by appointing third-party internal auditing unit to ensure independence of the investigation and comments regarding the Company’s internal control system.
- (4) Review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws.
- (5) 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) Consider all related transactions or the conflict-of-interest 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) 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) Report the activities of the Committee in the Company’s annual registration statement (Form 56-1 One Report), which must be signed by the Chairman of the Committee.
- (9) Ensure that the management has a mechanism to receive complaints and supervise the proper handling of complaint receipt.
- (10) Propose the Good Corporate Governance Guidelines to the Board of Directors. Besides, to monitor the performance of the Directors and Executives in compliance with Good Corporate Governance Practices and the SET’s Good Corporate Governance Practices.
- (11) Consider, review, and revise the Good Corporate Governance Policy and Code of Conduct annually.
- (12) Report to the Board of Directors about the Company’s good corporate governance performance supported by comments, guidelines, and recommendations for improvement as appropriate.
- (13) Attend the shareholders’ annual general meeting
- (14) Assess its own performance (Self-Assessment) and report the findings to the Board of Directors for acknowledgment as a whole and on individual basis.
- (15) Annually review the Charter of the Committee
- (16) 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.
- (17) Take care of any other matters assigned by the Board of Directors.

Nomination Committee

- Nomination Committee comprises of three independent directors and one director.
- The Chairman of the Nomination Committee is an independent director and is not the same person as the Chairman of the Board of Directors.
- The term of office is one year to be ended at the AGM. The Board Meeting will be held after the conclusion of each AGM to appoint each subcommittee.

Duties and Responsibilities of the Nomination Committee

- (1) Consider and review the current structure of the Board of Directors whether it fits the Company's business strategies and provide improvement. In case of independence director, the director shall possess qualification in accordance with the SEC regulations.
- (2) 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.
- (3) 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 Committee will have sufficient time to perform due diligence on the candidate's background before the shareholders' annual meeting.
- (4) Plan and process the succession plan of the managing director to propose the Board for consideration.
- (5) Consider and review Board members development program in order to ensure that all directors receive appropriate continuous training programs 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.

Remuneration Committee

- Remuneration Committee comprises of three independent directors and one director.
- The Chairman of the Remuneration Committee is an independent director and is not the same person as the Chairman of the Board of Directors.
- The term of office is one year to be ended at the AGM. A Board Meeting will be held after the conclusion of each AGM to appoint each subcommittee.

Duties and Responsibilities of the Remuneration Committee

- (1) Set the policy and procedure for determining remuneration of directors, executive directors, managing director and proposed to the Board and/or the shareholders' meeting for approval.
- (2) Consider the remuneration of the Board 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) Propose guidelines for assessing the performance outcomes and compensation for the managing director for the Board's approval.

General characteristics and competencies of individual director

General characteristics

- 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

Areas of Competencies

- Accounting and finance
- Organization 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

- (6) Supervise and ensure that the Company arranges orientation programs and provide welcoming package that is beneficial to the newly appointed director(s).
- (7) Annually review the Charter of the Committee.
- (8) Report the result of the meeting to the Board after each Committee's meeting.
- (9) Assess its own performance (Self-Assessment) and report the findings to the Board of Directors for acknowledgment as a whole and on individual basis.
- (10) Take care of any matters assigned by the Board of Directors.

Risk Management Committee

- Risk Management Committee comprises of three directors which the managing director is the Chairman of the Committee.
- The term of office is one year to be ended at the AGM. A Board Meeting will be held after the conclusion of each AGM to appoint each subcommittee.
- Risk Management Committee directly reports to the Board.

Duties and Responsibilities of the Risk Management Committee

(1) Assist the Board in setting the risk management policy, including annually agreeing risk tolerance and appetite levels in liaison 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) 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) 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) 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) 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) Ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually.

(7) 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) Monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging risks and prospective impacts.

(9) Provide an independent and objective oversight and view of the information on corporate accountability and specifically associated risk, also proposing to the Board on all categories of identified risks facing the Company.

(10) 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.

(11) 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.

(12) Address key risk areas and monitor these factors as part regular review of process and procedures to ensure effectiveness of its internal systems of control.

(13) Assist the Board in its responsibility for disclosure in relation to risk management in the annual registration statement (Form 56-1 One Report), and acknowledgement that it is accountable for the risk management function.

Sustainability Committee

- The Sustainability Committee consists of two directors and the Chairman of the Committee is held by an independence director.
- The term of office is one year to be ended at the AGM.
- A Board Meeting will be held after the conclusion of each AGM to appoint each subcommittee.

Duties and Responsibilities of the Sustainability Committee

- (1) Establish and review sustainability policy, operational characteristics, roles, responsibilities, and authorities of relevant institutes related to sustainability management. Additionally, to specify guidelines and boundaries for the Company's sustainability management, considering the expectations of all stakeholders, selecting material topics, setting goals, establishing strategies, and making plans. This is to address stakeholder expectations, comply with corporate governance policies, preserve the environment, and adopt human rights practices.
- (2) Annually review and evaluate the results and efficiency of the Company's sustainability plan, including monitoring alignment with the sustainability policy and strategy.
- (3) Monitor changes in external factors related to the practices of corporate responsibility and the disclosure of sustainability-related information, including sustainability issues arising from global trends and predictions of their impact on the Company.
- (4) Report to the Board on information aligned with the Company's objectives and its responsibility in conducting sustainable business, including addressing relevant issues.
- (5) Review the management's detailed report covering the completeness, overall effectiveness of sustainability management, management's performance, disclosure of internal control information, and recommendations. Additionally, ensure proper supervision to ensure appropriate actions are taken.
- (6) Identify the material topics and specify indicators for the Company. Also, to monitor the various factors as part of the review process and operational procedures. This is to ensure that the effectiveness of the Company's sustainable performance.
- (7) Prepare and verify information related to sustainability management for inclusion in the Form 56-1 report, and to report the result to the Board of Directors to ensure the accuracy of the information.
- (8) Report the result of the meeting to the Board of Directors after each Sustainability Committee meeting.
- (9) Annually review the Charter of Sustainability Committee.
- (10) Assess its own performance (Self-Assessment) and report the findings to the Board of Directors for acknowledgment as a whole and on individual basis.
- (11) Take care of any matters assigned by the Board of Directors.

7.3.2 Names of the Subcommittees

Audit and Corporate Governance Committee

Consists of
3 Independent directors

- | | |
|---------------------------------------|--|
| 1. Assoc.Prof Naris Chaikasoot, Ph.D. | Independent director, Chairman of Audit and Corporate Governance Committee |
| 2. Mr. Anusorn Buranakanonda | Independent director, member of Audit and Corporate Governance Committee |
| 3. Mr. Wasin Patchakapati | Independent director, member of Audit and Corporate Governance Committee |

- Assoc. Prof Naris Chaikasoot, Ph.D., Chairman of Audit and Corporate Governance Committee with knowledge and experience in financial budgeting, having previously held the position of Director General, Treasury Department, Ministry of Finance / Chairman, Government Housing Bank / Chairman, Export-Import Bank of Thailand etc.

Remuneration Committee

Consists of
3 Independent directors
1 Director

- | | |
|---------------------------------------|--|
| 1. Mr. Anusorn Buranakanonda | Independent director, Chairman of Remuneration Committee |
| 2. Assoc.Prof Naris Chaikasoot, Ph.D. | Independent director, member of Remuneration Committee |
| 3. Mr. Wasin Patchakapati | Independent director, member of Remuneration Committee |
| 4. Mr. Whang Shang Ying | Director, member of Remuneration Committee |

Nomination Committee

Consists of
3 Independent directors
1 Director

- | | |
|--|--|
| 1. Mr. Anusorn Buranakanonda | Independent director, Chairman of Nomination Committee |
| 2. Assoc. Prof Naris Chaikasoot, Ph.D. | Independent director, member of Nomination Committee |
| 3. Mr. Wasin Patchakapati | Independent director, member of Nomination Committee |
| 4. Mr. Whang Shang Ying | Director, member of Nomination Committee |

Risk Management Committee

Consists of
1 Non-executive director
2 Executive directors

- | | |
|--------------------------------|---|
| 1. Ms. Anchalee Suebchantasiri | Managing director and Chairman of Risk Management Committee |
| 2. Ms. Piyathida Sukchan | Executive director |
| 3. Mr. Ampol Simarajana | Non-executive director |

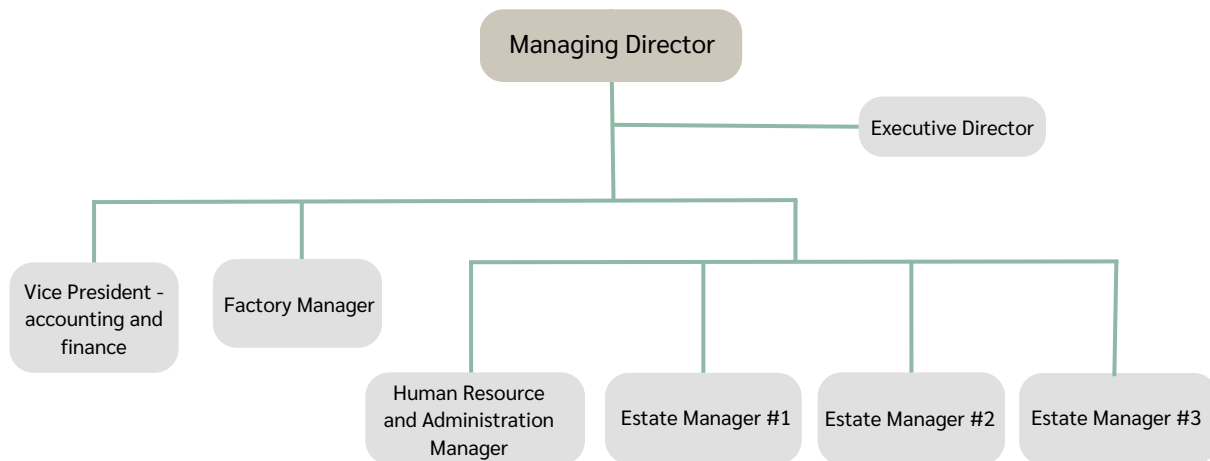
Sustainability Committee

Consists of
1 Independent directors
1 Executive director

- | | |
|-------------------------------|--|
| 1.Mr. Wasin Patchakapati | Independent director, Chairman of Sustainability Committee |
| 2.Ms. Anchalee Suebchantasiri | Managing director and member of Sustainability Committee |

7.4 Management Information

Management Structure



7.4.2 Remuneration Policy for Executive Directors and Executives

Executive Directors

The Remuneration Committee is responsible for considering and determining remuneration. The consideration is conducted thoroughly, clearly, and transparently, taking into account appropriateness and alignment with the scope of duties and responsibilities of the executives. It involves comparing references from the same industry or similar levels. Additionally, the considerations include the Company's business expansion, profit growth, which is sufficiently competitive to attract and retain qualified executives. The Committee presents such remuneration to the Company's Board for approval.

Executive

The managing director is responsible for considering the remuneration of executives based on their performance. This includes establishing key performance indicators (KPIs). The Remuneration Committee will propose the annual compensation rates to the Board for approval.

7.4.3 Total Remuneration for Executives and Managers.

A. Monetary Remuneration

In 2023, the Company's executives received remuneration, including salary, contribution, social security fund and bonus, for a total amount of 26.6 million baht, distributed among eight individuals.

B. Other Remuneration

The Company has established a provident fund for executives, with the Company contributing at a rate of 4-5 percent of their monthly salary. In 2023, the Company made contributions to the provident fund for executives, totaling 161,510 baht, for two executives who met the conditions for receiving contributions to the provident fund.

Note: Remuneration of the Executives includes remuneration paid to Executive Directors, Managing Director, the first four heads of department ranking immediately below the 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).

7.4.1 Executive's Name and Position

As of December 31, 2023, the Company has eight executives as follows:

Name	Position
1. Ms. Anchalee Suebchantasiri	Managing director
2. Ms. Piyathida Sukchan	Executive director
3. Ms. Sirirat Tana-ud	Vice president - account and finance
4. Mr. Supoch Pangjan	Factory manager
5. Mr. Wisarn Petsai	Estate manager #1
6. Mr. Charan Intharat	Estate manager #2
7. Mr. Thanaphat Bu-ngorsatul	Estate manager #3
8. Mr. Nattaporn Thawornyuttitam	Human Resources and Administration Manager

7.5 Employee Information

In 2023, the Company had a total of 284 employees, which majority is Thai, and one employee is Laos. The Company paid a total remuneration amount of 73.8 million baht to the employees. This remuneration included various forms such as wages, salaries, bonuses, overtime pay, allowances, incentives, commissions, gas allowance, social security funds, and contributions to the provident fund. Additionally, the joint venture paid remuneration to employees in a similar manner, amounting to 24.1 million baht.

Number of Employee and Remuneration

2023	Amount of Employee	
	Company	Joint venture
Office (person)	33	6
Mill (person)	91	24
Plantation(person)	160	36
Total (person)	284	66
Total (Million baht)	73.8	24.1

Provident Fund

The Company has established the "Provident Fund United Palm Oil Industry Public Company Limited". The asset management company of the fund is Kasikorn Asset Management Co.,Ltd. or KAsset, that discloses information following the Investment Governance Code: I Code. As the provident fund serves as a savings fund for employees' retirement, the Company supports the Fund Committee in selecting a fund manager who adheres to the I Code and/or manages investments responsibly, covering environmental, social, and governance (ESG) and ensuring good governance in investment practices. This approach aims to bring the best benefits to the fund members, who are the Company's long-term employees.

As of December 31,2023, the Company and joint venture had employees participating in the fund, as follows:

Company/Subsidiary company	Have / Do not have PVD	The number of employees participated PVD (person)	The percent of employees participated PVD
1. Company	Have	137	100
2. Joint venture Siam Elite Palm Co.,Ltd	Have	7	100
3. Subsidiary company* Phansrivivat Co., Ltd,	Do not have	0	0
4. Subsidiary company* Prachakvivat Co., Ltd	Do not have	0	0
5. Subsidiary company* Phansri Co., Ltd	Do not have	0	0

*Note: The subsidiaries do not have employees, therefore, there is no establishment of a provident fund.

7.6 Other Key Information

7.6.1 The list of individuals directly responsible for overseeing accounting, the Company secretary, the independent internal auditor, and the individual overseeing the Company's operational practices (compliance)

The Person Supervising Accounting

Ms. Sirirat Tana-Ud

Company Secretary

Mrs. Sutida Boonjaroen

Independent Internal Auditor

Mr. Apiruk Ati-anuwat

Moreover, the Company has attached the information of the aforementioned individuals in the attached document no. 1 and 3.

7.6.2 Investor Relations

Name : Ms. Piyathida Sukchan
Executive director
E-mail : piyatida@lamsoon.co.th
Tel : 02-361 8959-87
Fax : 02-361 8989

7.6.3 Remuneration of Statutory Auditor

The Company, joint venture, and subsidiaries utilize accounting audit services and other related services. These include the verification of BOI projects, submission of imported machinery details, and corporate income tax. During the fiscal year 2023, the Company, joint venture, and subsidiaries disbursed fees to EY Office Limited as follows:

(1) Audit fee

No.	Payer	Accountant's name	Audit fee (Baht)
1	The Company	Mrs. Kunlapee Piyawannasuth	1,080,000
2	Joint venture (Siam Elite Palm Co.,Ltd)	Mrs. Kunlapee Piyawannasuth	315,000
3	Subsidiary company (Phansrivivat Co., Ltd)	Mrs. Kunlapee Piyawannasuth	60,000
4	Subsidiary company (Prachakvivat Co., Ltd,)	Mrs. Kunlapee Piyawannasuth	40,000
5	Subsidiary (Phansri Co., Ltd)	Mrs. Kunlapee Piyawannasuth	40,000
Total audit fee			1,535,000

(2) Non-audit fee

No.	Payer	Accountant's name	Non-audit fee	
			Paid during the accounting year	Due to be paid
1	The Company	Mrs. Kunlapee Piyawannasuth	N/A	100,000
2	Joint venture (Siam Elite Palm Co.,Ltd)	Mrs. Kunlapee Piyawannasuth	N/A	N/A
Total non-audit fee			100,000	

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 Company's Board of Directors held a total of 7 meetings to establish key policies and strategies aimed at enhancing the Company's capabilities. This included closely monitoring operational results and the financial status of the Company. Additionally, the Company maintained the effectiveness of internal control systems, and organizational risk management. Emphasis was placed on sustainable business operations, promoting activities for sustainability. Subcommittees were organized to drive projects in alignment with predefined objectives.

8.1.1 Selection, Development and Evaluation of Duty Performance of the Board of Directors

(1) Independent Director

Criteria for selecting independent directors.

The Nomination Committee is responsible for selecting individuals with suitable qualifications and proposing their names to the Company's Board for consideration. The qualifications of the directors must not be prohibited characteristics as per the regulations of SEC and SET. Additionally, they should possess knowledge, skills, and experience that would be beneficial to the Company.

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

- (1) 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.
- (2) Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, 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.
- (3) 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.
- (4) 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.

- (5) 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.
- (6) Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Company, its parent company, subsidiary, associate, joint venture, major shareholder or controlling person, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years prior to the date of application filing with the Office.
- (7) Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.
- (8) 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.
- (9) Not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

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%.

(2) Recruitment of Directors and Chief Executives

- **The Recruitment of Directors**

The Nomination Committee, comprising three independent directors out of a total of four committee members, is responsible for evaluating and screening individuals with suitable qualifications in accordance with the Articles of Association of the Company. They propose names of qualified candidates to ensure the appointment of a professional and diverse of directors, taking into consideration the structure, size, and composition of the Board. The number of nominees presented will constitute a full board as required by the Article 12 of the Company's Articles of Association. According to the Article 12, during the annual general shareholders' meeting, the entire board will be elected simultaneously in one round. The proposed board will be presented to the Board for approval. Subsequently, the names of the nominated directors will be presented to the shareholders' meeting for election.

In consideration of the business nature and future plans, the Nomination Committee has defined the qualifications for directors. Candidates must possess knowledge in finance, accounting, and internal audit, as well as international marketing, and commodity trading. They should have a minimum of five years of relevant experiences. Additionally, the Nomination Committee has provided an opportunity for shareholders to participate in proposing qualified candidates for director positions.

Pursuant to the Company's Articles of Association, the number of directors from major shareholder groups is not specified. However, shareholders are granted the right to appoint directors through cumulative voting. In the election of directors during a physical meeting, shareholders use voting cards. In the case of an e-meeting, shareholders cast their votes through a company's electronic system, which is a certified service for meeting control by Electronic Transactions Development Agency, in compliance with the Emergency Decree on Electronic Meetings, B.E. 2563 (2020). In this directorial election, one shareholder has votes in a number equal to the number of shares he holds multiplied by the number of directors to be elected at that Meeting. Each shareholder may use all his votes to elect one or more than one director. In case of voting for more than one director, he may distribute his votes as he pleases. Persons who receive highest votes arranged in order from higher to lower in a number equal to that of Directors to be appointed are elected Directors of the Company. In the event of a tie at a lower place, which would make the number of Directors greater than that required, the persons involved shall draw lots for selection.

- **The Recruitment of Chief Executives**

The Company's Board of Directors has deliberated and assigned the Nomination Committee to consider and establish criteria and methods for selecting individuals with suitable qualifications for chief executive positions. The Committee is tasked with proposing names of individuals deemed suitable, along with reasons for consideration by the Company's Board for the subsequent appointment. The selection process involves thorough screening to identify individuals with complete and relevant qualifications, knowledge, skills, and experience beneficial to the Company's operations. Additionally, candidates are expected to have a good understanding of the Company's business and the ability to manage operations to achieve the Company's objectives and goals as outlined by the Board.

The Nomination Committee has collaborated with the chief executive to undertake succession plan for a key executive position. The position is crucial to ensure the continuity of effective management in the event of vacancies. The Committee is responsible for identifying and selecting suitable candidates from both internal and external sources. Additionally, the Committee may consider engaging an external recruitment agency to assist in the recruitment process for the key position.

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,

- Ms. Piyathida Sukchan, executive director, is to act and make decision in other matters of the Company and its subsidiaries.
- Ms. Sirirat Tana-Ud, vice president of account and finance is to act and make decision regarding the finance and accounting of the Company and its subsidiaries.

(3) Development of Directors

No.	Director	Position	Training Session	Objectives
1	Ms. Piyathida Sukchan	Executive Director	Business and human rights for listed companies and HRDD guidelines under Phase I, 16 Jan 2023	To understand the basic principles of human rights and guidelines for comprehensive human rights due diligence for listed companies
			The 34th Palm & Lauric Oils Price Outlook Conference & Exhibition (POC2023), Shangri-la, Kuala Lumpur, 6 - 8 Mar 2023	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.
			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	
			Special Course for Executives of listed companies: "Company valuation techniques to suit the present business situation" on 7 - 8 Jun 2023	To update and understand the key financial ratios and techniques of business evaluation.
2	Assoc. prof. Naris Chaiyasoot, Ph.D.	Independent Director and Chairman of the Board	Independent Director Forum: Occupational Fraud Prevention: whose responsibility is it held by Thai Institute Of Directors on March 16, 2023 at 13.30-16.00 at Siam Hall room, Eastin Grand Hotel Phayathai, Bangkok	To acknowledge statistic of occupational fraud and understand fraud model and respond to risk assessment of fraud

8.1.2 Meeting Attendance and Remuneration Payment to each Board Member

Meeting Attendance of Each Board Member

Name	Position	Board of Directors' meeting (Attendance/ Right to attend)			E-AGM (Attendance/ Right to attend)	NED meeting (Attendance/ Right to attend)
		Physical	E-meeting	Total		
1.Assoc.Prof Naris Chaikasoot, Ph.D.	<ul style="list-style-type: none"> Independent director and Chairman of the Board Chairman of Audit and Corporate Governance Committee Member of Nomination Committee Member of Numeration Committee 	4	3	7/7	1/1	1/1
2.Ms. Anchalee Suebchantasiri	<ul style="list-style-type: none"> Vice chairman of the Board Chairman of Risk Management Committee Member of Sustainability Committee 	5	2	7/7	1/1	
3. Mr. Whang Shang Ying	<ul style="list-style-type: none"> Director Member of Nomination Committee Member of Numeration Committee 	3	4	7/7	1/1	
4. Ms. Piyathida Sukchan	<ul style="list-style-type: none"> Executive director Member of Risk Management Committee 	6	1	7/7	1/1	
5. Mr. Ampol Simarojana	<ul style="list-style-type: none"> Director Member of Risk Management Committee 	6	1	7/7	1/1	
6. Mr. Wasin Patchakapati	<ul style="list-style-type: none"> Independent director Member of Audit and Corporate Governance Committee Member of Nomination Committee Member of Numeration Committee Chairman of Sustainability Committee 	6	1	7/7	1/1	1/1
7. Mr. Anusorn Buranakanonda (Appointed on April 7, 2023).	<ul style="list-style-type: none"> Independent director Member of Audit and Corporate Governance Committee Chairman of Nomination Committee Chairman of Numeration Committee 	4	0	4/5	1/1	1/1
8. Mr. Sangiam Santad (Term ended on April 7, 2023).	<ul style="list-style-type: none"> Independent director Member of Audit and Corporate Governance Committee Chairman of Nomination Committee Chairman of Numeration Committee 	1	1	2/3	0/1	

**Non-executive directors (NED) 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.

Remuneration of Directors and Executives

Monetary Remuneration

Name	Position	Remuneration in 2023 (Baht)						
		Board	AC	RC	NC	RMC	SC	Total
1. Assoc.Prof Naris Chaiyasoot, Ph.D.	<ul style="list-style-type: none"> Independent director and Chairman of the Board Chairman of Audit and Corporate Governance Committee Member of Nomination Committee Member of Numeration Committee 	884,400	633,600	N/A	N/A			1,518,000
2.Ms. Anchalee Suebchantasiri	<ul style="list-style-type: none"> Vice chairman of the Board Chairman of Risk Management Committee Member of Sustainability Committee 	567,600				N/A	N/A	567,600
3. Mr. Whang Shang Ying	<ul style="list-style-type: none"> Director Member of Nomination Committee Member of Numeration Committee 	567,600		N/A	N/A			567,600
4. Ms. Piyathida Sukchan	<ul style="list-style-type: none"> Executive director Member of Risk Management Committee 	567,600				N/A		567,600
5. Mr. Ampol Simarojana	<ul style="list-style-type: none"> Director Member of Risk Management Committee 	567,600				N/A		567,600
6. Mr. Wasin Patchakapati	<ul style="list-style-type: none"> Independent director Member of Audit and Corporate Governance Committee Member of Nomination Committee Member of Numeration Committee Chairman of Sustainability Committee 	607,200	633,600	N/A	N/A		N/A	1,240,800
7. Mr. Anusorn Buranakanonda (Appointed on April 7, 2023).	<ul style="list-style-type: none"> Independent director Member of Audit and Corporate Governance Committee Chairman of Nomination Committee Chairman of Numeration Committee 	567,600	464,640	N/A	N/A			909,920
8. Mr. Sangiam Santad (Term ended on April 7, 2023).	<ul style="list-style-type: none"> Independent director Member of Audit and Corporate Governance Committee Chairman of Nomination Committee Chairman of Numeration Committee 	161,920	168,960	N/A	N/A			330,880

Remark : 1) N/A is a member without remuneration.
 2) AC is Audit and Corporate Governance Committee.
 3) NC is Nomination Committee.

4) NRC is Numeration Committee.
 5) RC is Risk Management Committee.
 6) SC is Sustainability Committee.

Other Remuneration

Remuneration for Directors of the Company who hold positions as directors in subsidiaries and joint venture.
 --None--

In 2023, the Company has paid no other remuneration, except the cost of air-ticket and accommodation for directors residing outside Thailand who attend the meetings. 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 willful misconduct or any act in bad faith.

8.1.3 Supervision and Oversight of Subsidiaries and Joint Venture

(1) Mechanisms for Aupervising, controlling, managing, and overseeing the operations of subsidiaries and joint venture

- **Sending individuals to serve as directors, executives, or authorized representatives on behalf of the Company.**

In terms of controlling and overseeing the management and operations of subsidiaries, the Company has appointed two directors and three executives to serve as directors in the subsidiary company, Phansrivivat Co., Ltd. Additionally, the Company has appointed two directors to serve as directors in the subsidiary companies, namely Prachakvivat Co., Ltd. and Phansri Co., Ltd.

To control and oversee the management and operations of the joint venture, the Company has appointed three directors to serve on the board of Siam Elite Palm Co., Ltd. These directors are selected based on the Company's shareholding, ensuring that representatives of the Company hold positions as directors in proportion to their shareholding.

In this regard, in the past year, the Company has proceeded the related transaction with all three subsidiaries and the joint venture which was reviewed by the Audit and Corporate Governance Committee, as disclosed in the note to financial statements item 6.

- **The scope, authority, duties, and responsibilities of directors and executives as a representative of the Company.**

Directors and executives as a representative of the Company participate in setting the direction and making decisions regarding the core operations of subsidiaries and joint venture. In cases where there is an investment in businesses beyond the core operations of subsidiaries and joint venture, proposals must be presented to the Company's Board for consideration.

- **Supervision regarding disclosure of information, financial position, operational status, and the establishment of appropriate internal control systems.**

The directors and executives, as representatives of the Company, ensure the disclosure of financial position and operational results of subsidiaries and joint venture. Transactions between subsidiaries and joint venture with the Company are conducted using relevant criteria for disclosure and transactions, following the same principles as those applied by the Company. This includes overseeing the proper collection and recording of financial data and accounts for subsidiaries and joint venture to facilitate the timely preparation of consolidated financial statements. Additionally, internal control systems are implemented in accordance with the appropriate standards, similar to those applied by the Company.

(2) Agreement between the Company and other shareholders regarding the joint management of the joint venture company

The Company has an agreement with other shareholders for the management of the joint venture, involving the payment of a royalty fee calculated based on the sales value.

8.1.4 Adherence to Policy and Guidelines of Corporate Governance Principles

In 2023, the Company has implemented corporate governance principles and has actively ensured compliance with such principles, covering the following aspects:

- **Maintain financial credibility and disclosure of information.**

The Company's Board of Directors has reviewed the consolidated financial statements of the Company and its subsidiaries, as well as the information presented in the Annual Registration Statement 2023 (Form 56-1 One Report). It was found that the financial statements were prepared in accordance with the Generally Accepted Accounting Principles, utilizing appropriate accounting policies consistently. The Board exercised due care and employed the best judgment in the careful estimation and preparation of the financial statements. Additionally, key information has been completely disclosed in the accompanying notes to the financial statements. The Company's Board of Directors has established an effective internal control system to ensure the accuracy, completeness, and sufficiency of accounting data, safeguard assets, and prevent significant irregularities or fraudulent activities.

In this regard, the Company's Board of Directors has appointed an Audit and Corporate Governance Committee responsible for the quality of financial report and internal control systems, including various processes. The Committee ensures that the financial reports are accurately prepared in accordance with generally accepted accounting principles. Additionally, there is complete and appropriate disclosure of information for the financial statement users.

- **Ensure the establishment of a suitable risk management and internal control system.**

During the operation of the Company in the fiscal year 2023, the Audit and Corporate Governance Committee has assessed that both the directors and the management are dedicated to fulfilling the organization's objectives. There is significant emphasis on operating under a robust internal control system, appropriate risk management, and an effective information communication system to support corporate governance. No legal or regulatory violations that are materially significant and should be addressed by the Company were identified. In summary, the overall internal control system of the Company is deemed satisfactory, instilling reasonable confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of December 31, 2023.

The Audit and Corporate Governance Committee's comments on this matter are reflected in the report of the Committee, as presented in the Annual Registration Statements 2023 (65-1 One Report)

In addition, the Company has actively monitored to ensure compliance with good corporate governance on the following four aspects:

(1) Prevention of conflict of interest

The Company has established a policy that directors, executives, and employees must act in the best interests of the Company. In cases where individuals have a potential conflict of interest or are involved in a matter under consideration, they are required to notify their supervisory authority and refrain from participating in the decision-making process regarding such transactions.

In the year 2023, the Company has undertaken measures as follows:

- Enhance communication with employees by restructuring content of code of conduct into distinct sections, ensuring clear separation between the Board of Directors, executives, and employees for improved clarity.
- Conduct a training on conflict of interest for personnel.
- Arrange quarterly internal audits conducted by the internal audit team, Dr. Virach and Associates Office Co., Ltd. The internal audit team is required to report the results to the Audit and Corporate Governance Committee.
- Provide knowledge to the Board of Directors, executives, and employees regarding the prevention of conflicts of interest.

In 2023, the Company did not find any cases of violations related to conflicts of interest.

(2) Use of inside information

The Company has taken care of the use of inside information to ensure compliance with the law and adherence to good corporate governance principles. This is explicitly outlined in the code of conduct for directors, executives, and employees. Communication regarding the proper use of inside information is emphasized during employee orientation, and annual training sessions are conducted to provide knowledge and understanding of the use of inside information. In summary, the key policies include:

- The Company specifies that directors, executives, and employees who have access to inside information must sign an acknowledgment to comply with the announcement of the Securities and Exchange Commission (SEC), Section 59 of Securities and Exchange Act B.E. 2535. This act requires directors and executives to report changes in securities ownership to the SEC within three business days from the date of change. Simultaneously, the secretary of the Company must be notified to record and summarize the individual securities holdings of directors and executives for presentation at the next board meeting. Failure to comply with these requirements may result in penalties, as stipulated in the announcement.
- The Company has regulations prohibiting the disclosure of financial statements or other information that may impact the Company's stock price to external individuals or those who are not involved. It is also prohibited to buy or sell the Company's securities within 30 days before the financial statements are publicly disclosed and can be traded only after the information has been made public for one business day. If directors, executives, or employees violate these rules, they will face one or more disciplinary actions, depending on the circumstances, as follows:
 - Cut wages or compensation or other benefits.
 - Lay off, 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.
- The Company provides knowledge to the Board of Directors, executives, and employees on the prevention of use of inside information.

In 2023, there were no instances in which Board members, executives, or employees privy to inside information engaged in the buying or selling of securities during the periods specified by the Company for refraining from such transactions. Furthermore, there were no instances of fines, accusations, penalties, or civil sanctions imposed by SEC or SET concerning stock transactions based on inside information from the Company's Board members or executives.

(3) Anti-corruption

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

- The Company's internal audit team conducts audits according to the annual audit plan approved by the Audit and Corporate Governance Committee and reports significant findings and recommendations to the Audit and Corporate Governance Committee.
- The responsibility is assigned to the delegated unit to continuously examine and evaluate the risks of corruption, aiming to effectively implement anti-corruption measures. This includes ongoing monitoring, periodic reviews, and regular adjustments to anti-corruption measures. The results of these assessments are timely and regularly presented to the Risk Management Committee, the Audit and Corporate Governance Committee, and the Board of Directors, respectively.
- If the investigation reveals evidence from the audit or complaints indicating significant transactions or actions that may materially impact the Company's financial position and operational results, including violations of laws or the code of conduct, suspicions in financial reports, or internal control system issues, the Audit and Corporate Governance Committee will promptly report to the Board of Directors for appropriate corrective action.

As of 2023, the Company has not encountered any allegations of misconduct or wrongdoing by regulatory authorities pertaining to corruption.

(4) Whistle blowing

The Company has provided a channel for stakeholders to report grievances and complaints, such as inaccuracies in financial reports, legal or code of conduct violations, or deficiencies in internal control systems. These reports can be submitted through the channels established by the Company. The Audit and Corporate Governance Committee, which is independent from the management, is responsible for reviewing and addressing such grievances and complaints. Stakeholders who wish to report misconduct or file any complaints are encouraged to submit them directly to the Company's Audit and Corporate Governance Committee as follows:



Assoc.Prof Naris Chaiyasoot, Ph.D.
Chairman of the Audit and Corporate Governance
Committee United Palm Oil Industry Plc. 64 Soi Bangna-
Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok
10260



naris@econ.tu.ac.th

In addition, the Company mandates that the informant's identity remain confidential. Furthermore, the Company's Audit and Corporate Governance Committee is responsible for verifying the information or facts provided by the aforementioned informant and presenting it to the Company's Board of Directors within 30 days from the date of notification.

In 2023, there were no reports of allegations or complaints submitted through the Company's Board of Directors.

8.2 The Report on the Performance of the Audit and Corporate Governance Committee

8.2.1 Number of meetings held and attendance in 2023

Name	Position	Attendance / Total Meetings
1. Assoc.Prof Naris Chaayasoot, Ph.D.	Independent director and Chairman of the Audit and Corporate Governance Committee	9/9
2. Mr. Anusorn Buranakanonda (Appointed on April 7, 2023)	Independent director and member of the Audit and Corporate Governance Committee	5/5
3. Mr. Sangiam Santad (Term ended on April 7, 2023)	Independent director and member of the Audit and Corporate Governance Committee	4/4
4. Mr. Wasin Patchakapati	Independent director and member of the Audit and Corporate Governance Committee	9/9

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

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

- (1) To propose to the Board of Directors the renewal of the service agreement and the appointment of Dr. Virach and Associates as the outsourced internal auditor for one-year term, ending on December 31, 2023, including consideration of the annual audit plan and appropriate remuneration. In addition, the committee examined the internal audit reports and recommendations regarding the control and risk management as mentioned in the internal audit report on quarterly basis throughout the year 2023, with recommendations 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 cooperate governance and no material control weakness.
- (2) To approve quarterly financial statements, review annual financial statements and the appropriateness of disclosure of information in Notes to Financial Statements to propose to the Board of Directors. This is to ensure that the financial statements were in accordance with generally accepted accounting principle and the disclosures of information in Notes to Financial Statements were complete and accurate.
- (3) To conduct the meetings with the management and external auditors on communicating beneficial information related to financial statements preparation to management for their awareness and preparation.
- (4) To conduct the meetings with management, external auditors, and internal auditors, providing suggestions and practical guidelines for management. The management has subsequently adopted these recommendations to enhance the Company's operational efficiency.
- (5) To report to the Board of Directors the results of the meetings and all activities undertaken by the Audit and Corporate Governance Committee.
- (6) To propose to the Board of Directors for the appointment of EY Office Limited to be the statutory auditor of the Company and consideration of appropriate remuneration at the 2023 Annual General Meeting of Shareholders. In 2023, the Company appointed EY Office Limited to conduct an audit of the Company's financial statement and verify BOI projects. The Audit and Corporate Governance Committee prioritizes the independence of the auditors in the financial statement auditing. Therefore, the Committee reviewed internal working process of the Company to ensure compliance with the established processes. (1) The Audit and Corporate Governance Committee is responsible for considering and approving the hiring of other services from the EY Office Limited, without delegating authority to the management to proceed independently. In 2023, no other services have been provided by the EY Office Limited, except the services approved by the Audit and Corporate Governance Committee. (2) The Audit and Cooperate Governance Committee considered the fees for other services to be appropriate. In the year 2023, the proportion of fees for other services to the total remuneration is equal to 15.63 percent.
- (7) To assess the Committee's own performance through the self-assessment form as a tool for the Company to develop the corporate governance practices.
- (8) To consider connected transaction with value over 500,000 Baht.

8.3 The Report on the Performance of Subcommittees in the Past Year

8.3.1 Nomination Committee

The number of meetings held and attendance of Nomination Committee.

Name	Position	Attendance / Total Meetings
1. Mr. Anusorn Buranakanonda (Appointed on April 7, 2023)	Independent director and Chairman of Nomination Committee	2/2
2. Mr. Sangiam Santad (Term ended on April 7, 2023)	Independent director and Chairman of Nomination Committee	1/1
3. Assoc.Prof Naris Chaiyasoot, Ph.D.	Independent director and member of Nomination Committee	3/3
4. Mr. Wasin Patchakapati	Independent director and member of Nomination Committee	3/3
5. Mr. Whang Shang Ying	Director and member of Nomination Committee	3/3

In 2023, the Nomination Committee has performed its duties, summarized as follows:

- Considered the nomination and selection of a qualified and suitable individual to replace directors who have resigned or retired by rotation. This process was guided by a thorough assessment of qualifications aligned with the Company's business strategy, and includes an orientation conducted in accordance with the Company's guidelines.
- Considered the renewal of employment contract of one executive.
- Considered the nomination and selection of qualified and suitable person to replace and/or succession of the position of the Managing Director.

8.3.2 Numeration Committee

The number of meetings held and attendance of Numeration Committee.

Name	Position	Attendance / Total Meetings
1. Mr. Anusorn Buranakanonda (Appointed on April 7, 2023)	Independent director and Chairman of Numeration Committee	2/2
2. Mr. Sangiam Santad (Term ended on April 7, 2023)	Independent director and member of Numeration Committee	1/1
3. Assoc.Prof Naris Chaiyasoot, Ph.D.	Independent director and member of Numeration Committee	3/3
4. Mr. Wasin Patchakapati	Independent director and member of Numeration Committee	3/3
5. Mr. Whang Shang Ying	Director and member of Numeration Committee	3/3

In 2023, the Remuneration Committee has performed its duties, summarized as follows:

- Considered and reviewed the pattern and criteria of the remuneration of the executives, including determine the KPI's performance indicators.
- Reviewed the annual Directors' remuneration for 2023.
- Considered the 2023 annual bonus payment rate and the 2024 annual salary increase rate for employees.
- Reviewed executive's Remuneration.

8.3.3 Risk Management Committee

The number of meetings held and attendance of Risk Management Committee.

Director's name	Position	Attendance / Total Meetings
1. Ms. Anchalee Suebchantasiri	Managing director and Chairman of the Risk Management Committee	3/3
2. Ms. Piyathida Sukchan	Executive director and member of the Risk Management Committee	3/3
3. Mr. Ampol Simarojana	Non-executive director and member of the Risk Management Committee	3/3

In 2023, the Risk Management Committee has performed its duties, summarized as follows:

- Supervised, oversaw, and supported the risk management processes in accordance with the Company's annual risk management plan, while continuously monitoring the results.
- Continuously monitored and evaluated risk factors that significantly impacted the Company's operations and business. This process included consideration of emerging risks, the risk management process, and risk assessment to ensure compliance with the Company's business objectives and the effectiveness of risk management to align with long-term business goals. The information regarding these efforts was disclosed in the Form 56-1 One Report.
- Reviewed the charter of the Risk Management Committee.

8.3.4 Sustainability Committee

The number of meetings held and attendance of the Sustainability Committee.

Name	Position	Attendance / Total Meetings
1. Mr. Wasin Patchakapati	Independent director and Chairman of Sustainability Committee	1/1
2. Ms. Anchalee Suebchantasiri	Member of Sustainability Committee	1/1

In 2023, the Sustainability Committee has performed its duties, summarized as follows:

- Promoted the Company's sustainability by participating in projects related to the sustainability organized by Stock Exchange of Thailand, including the Corporate Sustainability Strategy project (No. 2), the enhancement of sustainability data quality for listed companies, and the ESG DNA project.
- Created and presented projects on material topics that span three dimensions: environmental, social, and governance. These were presented to the Sustainability Committee.
- Presented data on Business Sustainability Development section to the Company's Board of Directors for disclosure in the Form 56-1 One Report.

9. Internal Control and Related Party Transactions



9.1 Internal Control

The Board of Directors has conducted review on an internal control system using an internal control sufficiency evaluation form of the Company covering five areas: control environment, risk assessment, control activities of the management, information and communication, and monitoring activities. This evaluation is carried out by the management and reviewed by the Audit and Corporate Governance Committee.

9.1.1 Sufficiency and Appropriateness of the Internal Control System

In accordance with the Board of Directors' meeting No. 1/2024 held on February 22, 2024, the independent directors and the Audit and Corporate Governance Committee were in attendance. The Board has undertaken a review of the internal control system, utilizing the evaluation form, which was subsequently examined by the Audit and Corporate Governance Committee. The summary of the evaluation is as follows:

(1) Control Environment

- Adhere to the good corporate governance policy and code of conduct. In 2024, the Company reviewed and updated aforementioned policies to ensure they are contemporary and aligned with human rights principles. This information has been communicated internally and externally, including providing information to employees to enhance their awareness, understanding of the practices, and capable to implement them.
- Stipulate clear responsibility and duty of the Board and operate business according to regulations issued by the SET. Create a reporting structure to achieve purposes governed by the Board.
- Define clear guidelines and methods for evaluating the performance of employees at all levels. Provide human resource development and overall workforce planning. This encompasses succession planning for key positions, specifying the necessary knowledge and skills to lead the Company towards achieving its organizational goals.

(2) Risk Assessment

- Assess significant risks that impact the Company's management and business operations, as well as factors that may pose emerging risks. The Risk Management Committee has been established the working team to oversee and provide recommendations, supporting the development of plans, guidelines, and monitoring activities that align with both current management and business operation risks and emerging risks. This is done to establish responsive measures, ensuring the smooth and efficient operation of the Company.
- The Board is responsible for verifying the performance and assessing the potential likelihood of corruption cases, such as acts leading to the loss of assets. This also covers the communication of policy and regulation to employees.

(3) Control Activities

- Establish internal controls within the Company that are diverse and suitable for all departments. This includes obtaining standard system certifications to align with the issued regulation and employing independent internal auditor to perform transparent and right duty according to work procedures.
- Appoint subcommittees to oversee the strategic management and duty performances to achieve established goals and report each subcommittee's performance to the Board and disclose to shareholders.



(4) Information & Communication

- Utilize an antivirus program and conduct regular checks on both servers and workstations. Strictly prohibit employees from connecting personal devices to the company network or installing unauthorized programs without approval from the system administrator.
- Implement a spam email filtering system and deploy monitoring programs for both incoming and outgoing emails. Additionally, the IT department staff will send notifications to all users upon detecting emails containing viruses or engaging in fraudulent activities.
- Screen an user access to ensure compliance with predefined rights, take into consideration the necessity of such user and require approval from the respective user's key authorities.
- Ensure appropriate data backups and regularly review the data backup policy.
- Provide training to employees on cybersecurity.

(5) Monitoring Activities

- Require the Board and executives to disclose their shareholdings in the Company on a quarterly basis.
- Implement regular reviews of compliance with the internal control system quarterly, performed by internal auditors.
- Conduct ongoing monitoring and assessment of the internal control system, performed by internal auditors.
- Mandate the direct presentation of internal audit results to the Audit and Corporate Governance Committee.

Furthermore, the Company engages in transactions with the major shareholder, subsidiaries, and joint venture. The Company has reported such transactions in the financial statements' notes item. 6, and in compliance with the criteria of the Stock Exchange of Thailand regarding related party transactions.

The Board of Directors acknowledges that the Company has an adequate internal control system. For its subsidiaries and joint ventures, the asset is mostly the palm oil plantations which is overseen and managed by the Company's management. The Company has implemented its internal control system across its subsidiaries and joint venture.

9.1.2 Deficiencies of Internal Control System

According to the internal audit report on the Company's internal control system in 2023, no significant deficiencies were found that had a material impact on the Company's business operations.

9.1.3 The Audit and Corporate Governance Committee's Comments on the Internal Control System.

The Audit and Corporate Governance Committee has quarterly reviewed the report and recommendations prepared by the internal auditors. The report encompasses the internal control and risk management system of the Company. The internal auditor conducted audits according to the plan, reporting the results to the management for consideration and necessary improvements. In 2023, it can be summarized that the Company maintains effective internal control systems in key areas and an appropriate, effective risk management system. Business operations are transparently overseen, and no significant deficiencies were found.

Furthermore, the Company has attached the report of the Audit and Corporate Governance Committee as per the attachment 6.

9.1.4 The Audit and Corporate Governance Committee's Comments on the Head of Internal Auditor.

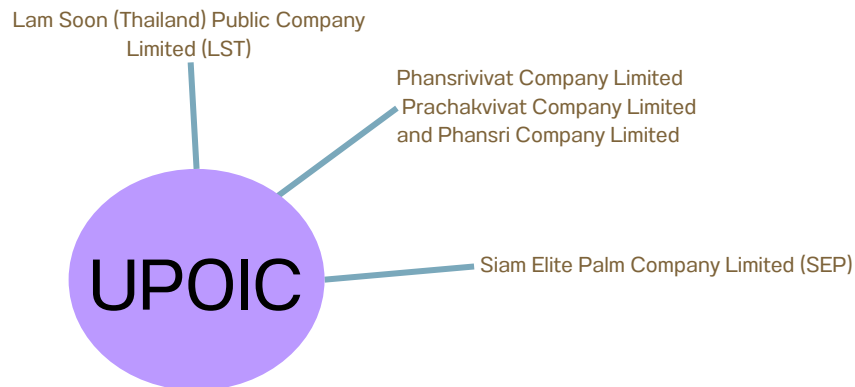
At the meeting no. 2/2023 of the Audit and Corporate Governance Committee, held on February 23, 2023, the Company appointed Dr. Virach & Associates Office Co., Ltd. as the internal auditors for the year 2023. Additionally, Mr. Apiruk Ati-anuwat, the Audit Partner at Dr. Virach and Associates Office Co., Ltd., was designated to perform the internal audit duties of the Company.

The Audit and Corporate Governance Committee has evaluated the qualifications of Dr. Virach & Associates Office Co., Ltd. and Mr. Apiruk Ati-anuwat, determining that they are sufficiently qualified for the duties. This is because Mr. Apiruk Ati-anuwat possesses independence and has 23 years of experience in internal audit within the Company's business. He has received training in courses related to internal audit practices, including the internal control system according to international standards (COSO) and Enterprise Risk Management Framework (COSO-ERM).

In this regard, the consideration, approval, appointment, and termination of contracts of Dr. Virach & Associates Office Co., Ltd. must be approved from the Audit and Corporate Governance Committee. The qualifications of the Head of internal audit are outlined in Attachment 3.

9.2 Related Party Transactions

Throughout the year, the Company engaged in significant business transactions with individuals or related parties. These transactions adhere to the terms and criteria agreed upon between the Company and the related parties. Furthermore, they are conducted in accordance with the ordinary course of business and can be summarized into three groups as follows:



9.2.1 Companies engaging in related party transactions with the Company

The Company has disclosed details of related party transactions in the financial statements' note item 6.

9.2.2 Necessity and reasons for the related party transactions

Transaction with parent company	Transaction with subsidiaries	Transaction with joint venture
It is the transaction of sales of crude palm oil, palm kernel oil, and fresh fruit bunch, which are regular commercial transactions of the Company and occur continuously every year. The selling prices are determined based on market mechanisms at the time of the transactions.	This pertains to the annual transactions involving dividend income, land rental and interest expenses. These transactions recur regularly and offer the Company substantial benefits, contributing to its return on investment through dividends and enhancing overall liquidity. Simultaneously, they yield favorable returns for the subsidiaries.	It involves the procurement of raw materials for use in the Company's operations, land rental and dividend income. These are recurring annual transactions that contribute to the Company's operational stability through the consistent supply of continuously developed raw materials over an extended period.

9.2.3 Policy and trends regarding the related party transactions in the future

The trend of related party transactions between the Company and its subsidiary and joint venture is expected to persist annually. These transactions, involving the purchase and sale of goods or raw materials, are routine commercial activities with prices determined by market price at the time of each transaction. Furthermore, transactions with the parent company are conducted with due consideration for maximizing benefits for both entities. This is facilitated by the fact that the managements of both companies are composed of distinct individuals, ensuring independence in decision-making for these transactions.

9.2.4 Measures and systems for overseeing related party transactions

The Board of Directors and the Audit and Corporate Governance Committee have conducted an assessment of the related party transactions outlined in note to financial statements item 6. This assessment included querying the management about the rationale and value of these transactions. Furthermore, it is affirmed that the transactions, in accordance with the regulations stipulated in Section 89/12 (1), have undergone quarterly review by the Audit and Corporate Governance Committees. The Board of Directors and the committee are of the opinion that these transactions are necessary, reasonable, and align with the best interests of the Company.

In the past year, the Company has not been subject to any fines, sanctions, or civil proceedings by regulatory authorities such as the SEC or the SET related to non-compliance or violation of criteria regarding related party transaction or asset transactions.

Section 3

Report and Consolidated Financial Statements

United Palm Oil Industry Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of United Palm Oil Industry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of United Palm Oil Industry 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 United Palm Oil Industry 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 United Palm Oil Industry Public Company Limited and its subsidiaries and of United Palm Oil Industry 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 from selling prices to a related party

The Company had sales of crude palm oil and crude palm kernel oil to its parent company of the Group totaling approximately for Baht 633 million during the current year, accounting for 43% of revenue. Such related party transactions could give rise to doubt as to the arm's length nature of the business transactions between the parties and there is a potential risk with respect to the amount of revenue recognised.

I have performed the following audit procedures regarding whether revenue was recognised on the basis of selling prices that are equivalent to the market prices of the goods:

- Assessed the processes used by management to set prices and record related party transactions.
- Read contracts and agreements with related party to understand the nature of the transactions.
- Examined the market prices used as a reference in setting the transfer prices for sales transactions occurring during the year.
- Examined credit notes that the Company issued during the year and after the year-end.
- Performed analytical procedures on disaggregated data to consider possible irregularities in sales transactions, particularly for accounting entries made through journal vouchers.

In addition, I reviewed the disclosure of information with respect to the related party transactions in the notes to consolidated financial statements.

Fair value measurement of biological assets - palm fruit on trees

The value of the biological assets - palm fruit on trees as of 31 December 2023 was Baht 158 million, which is a significant amount. The fair value measurement of biological assets - palm fruit on trees requires the use of estimates and assumptions, which included estimated harvesting volume and the selling price at each points of harvest, with consideration of whether these correspond with the nature and circumstances of the biological assets being measured, based on judgements made by the Company's 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.

I gained an understanding of, assessed and tested controls of the Company related to the fair value estimation of the biological assets, including assessment of the methods applied by the Company to estimate data, set assumptions and calculate values. I reviewed the fair values by evaluating the data estimates and assumptions used in the valuation based on inquiry of the Company's agricultural officers and management, comparative analysis with historical data, and by testing the calculation. In addition, I reviewed the disclosure of information with respect to the fair value measurement of biological assets in the notes to consolidated financial statements.

Other Information

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

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.



Kunlapee Piyawannasuth

Certified Public Accountant (Thailand) No. 6137

EY Office Limited

Bangkok: 22 February 2024

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	118,932,461	99,936,008	83,279,888	61,520,294
Trade and other receivables	8	72,804,838	37,081,186	72,661,027	36,991,727
Current portion of lease receivables		118,600	699,293	118,600	699,293
Advance to employees		72,706	83,078	72,706	83,078
Inventories	9	194,718,595	221,651,027	194,718,595	221,651,027
Biological assets	10	195,368,230	203,525,992	195,368,230	203,525,992
Other current assets		6,425,491	8,045,626	3,954,132	5,295,105
Total current assets		588,440,921	571,022,210	550,173,178	529,766,516
Non-current assets					
Lease receivables - long-term portion		378,878	20,706	378,878	20,706
Investment in subsidiary	11	-	-	307,895,303	307,895,303
Investment in joint venture	12	94,967,785	62,450,037	25,000,000	25,000,000
Long-term loan to other company	13	15,640,000	16,560,000	-	-
Property, plant and equipment	14	943,944,814	908,471,120	943,944,488	908,470,794
Right-of-use assets	15	32,350,805	33,926,472	51,231,838	53,730,785
Bearer plants	16	166,215,915	171,950,885	166,215,915	171,950,885
Intangible assets		201,993	44,361	201,993	44,361
Other non-current assets		585,977	747,073	585,977	747,073
Total non-current assets		1,254,286,167	1,194,170,654	1,495,454,392	1,467,859,907
Total assets		1,842,727,088	1,765,192,864	2,045,627,570	1,997,626,423

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	130,000,000	40,000,000	130,000,000	40,000,000
Trade and other payables	18	30,341,047	30,077,480	294,391,328	289,382,323
Current portion of long-term loan	19	-	31,666,667	-	31,666,667
Current portion of long-term lease liabilities	15	606,057	408,731	803,286	508,952
Income tax payable		10,026,723	13,433,816	9,150,434	12,847,281
Other current liabilities		5,845,103	7,252,559	5,845,103	7,252,559
Total current liabilities		176,818,930	122,839,253	440,190,151	381,657,782
Non-current liabilities					
Long-term loan, net of current portion	19	-	26,666,667	-	26,666,667
Long-term lease liabilities, net of current portion	15	42,497,878	43,103,935	62,393,254	63,196,540
Deferred tax liabilities	21	21,495,144	22,840,677	21,252,831	22,762,974
Provision for long-term employee benefits	20	16,406,986	17,308,835	16,406,986	17,308,835
Total non-current liabilities		80,400,008	109,920,114	100,053,071	129,935,016
Total liabilities		257,218,938	232,759,367	540,243,222	511,592,798
Shareholders' equity					
Share capital					
Registered					
324,050,000 ordinary shares of Baht 1 each		324,050,000	324,050,000	324,050,000	324,050,000
Issued and fully paid up					
324,050,000 ordinary shares of Baht 1 each		324,050,000	324,050,000	324,050,000	324,050,000
Share premium		321,544,740	321,544,740	321,544,740	321,544,740
Retained earnings					
Appropriated - statutory reserve	22	60,805,000	60,805,000	32,405,000	32,405,000
Unappropriated		879,108,410	826,033,757	827,384,608	808,033,885
Total shareholders' equity		1,585,508,150	1,532,433,497	1,505,384,348	1,486,033,625
Total liabilities and shareholders' equity		1,842,727,088	1,765,192,864	2,045,627,570	1,997,626,423

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

Directors

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Revenues					
Revenue	25	1,481,488,320	2,237,528,936	1,481,488,320	2,237,528,936
Gain arising from change in fair value of biological assets		-	89,278,804	-	89,278,804
Other income					
Dividend income	11, 12.2	-	-	37,945,408	3,479,546
Compensation from insurance	33	-	12,262,299	-	12,262,299
Others		56,790,316	99,303,041	56,790,036	99,303,226
Total revenues		1,538,278,636	2,438,373,080	1,576,223,764	2,441,852,811
Expenses					
Cost of sales		1,237,265,809	1,992,080,635	1,239,236,725	1,993,603,696
Selling and distribution expenses		37,521,108	39,731,819	37,521,108	39,731,819
Administrative expenses		70,696,308	52,689,257	70,514,118	52,515,119
Loss arising from change in fair value of biological assets		15,148,176	-	15,148,176	-
Total expenses		1,360,631,401	2,084,501,711	1,362,420,127	2,085,850,634
Profit from operating activities		177,647,235	353,871,369	213,803,637	356,002,177
Share of profit from a joint venture	12.2	62,546,571	35,879,521	-	-
Finance income		995,681	508,530	321,687	166,959
Finance cost	23	(4,618,373)	(2,817,816)	(13,540,514)	(9,806,110)
Profit before income tax expenses		236,571,114	387,441,604	200,584,810	346,363,026
Income tax expenses	21	(33,063,479)	(70,160,393)	(30,829,928)	(68,366,493)
Profit for the year		203,507,635	317,281,211	169,754,882	277,996,533
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(5,742,317)	-	(5,742,317)	-
Less: Income tax effect	21	1,148,463	-	1,148,463	-
Share of other comprehensive income of a joint venture - net of income tax	12.2	(28,823)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(4,622,677)	-	(4,593,854)	-
Other comprehensive income for the year		(4,622,677)	-	(4,593,854)	-
Total comprehensive income for the year		198,884,958	317,281,211	165,161,028	277,996,533
Basic earnings per share					
Profit per share	26	0.63	0.98	0.52	0.86

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at 1 January 2022	324,050,000	321,544,740	60,805,000	670,776,496	1,377,176,236
Profit for the year	-	-	-	317,281,211	317,281,211
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	317,281,211	317,281,211
Dividend paid (Note 29)	-	-	-	(162,023,950)	(162,023,950)
Balance as at 31 December 2022	<u>324,050,000</u>	<u>321,544,740</u>	<u>60,805,000</u>	<u>826,033,757</u>	<u>1,532,433,497</u>
Balance as at 1 January 2023	324,050,000	321,544,740	60,805,000	826,033,757	1,532,433,497
Profit for the year	-	-	-	203,507,635	203,507,635
Other comprehensive income for the year	-	-	-	(4,622,677)	(4,622,677)
Total comprehensive income for the year	-	-	-	198,884,958	198,884,958
Dividend paid (Note 29)	-	-	-	(145,810,305)	(145,810,305)
Balance as at 31 December 2023	<u>324,050,000</u>	<u>321,544,740</u>	<u>60,805,000</u>	<u>879,108,410</u>	<u>1,585,508,150</u>

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at 1 January 2022	324,050,000	321,544,740	32,405,000	692,061,302	1,370,061,042
Profit for the year	-	-	-	277,996,533	277,996,533
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	277,996,533	277,996,533
Dividend paid (Note 29)	-	-	-	(162,023,950)	(162,023,950)
Balance as at 31 December 2022	<u>324,050,000</u>	<u>321,544,740</u>	<u>32,405,000</u>	<u>808,033,885</u>	<u>1,486,033,625</u>
Balance as at 1 January 2023	324,050,000	321,544,740	32,405,000	808,033,885	1,486,033,625
Profit for the year	-	-	-	169,754,882	169,754,882
Other comprehensive income for the year	-	-	-	(4,593,854)	(4,593,854)
Total comprehensive income for the year	-	-	-	165,161,028	165,161,028
Dividend paid (Note 29)	-	-	-	(145,810,305)	(145,810,305)
Balance as at 31 December 2023	<u>324,050,000</u>	<u>321,544,740</u>	<u>32,405,000</u>	<u>827,384,608</u>	<u>1,505,384,348</u>

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Cash flow statement

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	236,571,114	387,441,604	200,584,810	346,363,026
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	46,928,675	42,761,226	47,851,955	43,684,507
Share of profit from a joint venture	(62,546,571)	(35,879,521)	-	-
Loss (gain) arising from change in fair value of biological assets	15,148,176	(89,278,804)	15,148,176	(89,278,804)
Loss on write-off bearer plants	15,874	2,855,555	15,874	2,855,555
Reduction of inventory cost to net realisable value (reversal)	(8,859,336)	8,859,336	(8,859,336)	8,859,336
Loss (gain) on disposal/write-off of property plant and equipment	(1,065,669)	2,765,678	(1,065,669)	2,765,678
Reversal of loss on impairment of assets	(49,547)	(18,356,182)	(49,547)	(18,356,182)
Gain on lease agreements	(541,914)	-	(541,914)	-
Provision for termination benefits and provision for long-term employee benefits	(1,325,752)	1,406,039	(1,325,752)	1,406,039
Dividend income	-	-	(37,945,408)	(3,479,546)
Interest expenses	4,618,373	2,817,816	13,540,514	9,806,110
Profit from operating activities before changes in operating assets and liabilities	228,893,423	305,392,747	227,353,703	304,625,719
Operating assets (increase) decrease				
Trade and other receivables	(35,723,652)	189,876,532	(35,669,300)	189,910,933
Cash received from lease receivables	764,435	1,721,126	764,435	1,721,126
Advance to employees	10,372	(2,410)	10,372	(2,410)
Inventories and biological assets	28,801,354	9,282,404	28,801,354	9,282,404
Other current assets	1,686,360	4,235,487	1,340,973	3,895,827
Other non-current assets	161,096	3,405,074	161,096	3,405,074
Operating liabilities increase (decrease)				
Trade and other payables	504,262	(6,147,558)	1,745,765	(11,715,991)
Other current liabilities	(1,407,456)	393,704	(1,407,456)	393,704
Cash paid for termination benefits and long-term employee benefits	(5,318,414)	(1,487,267)	(5,318,414)	(1,487,267)
Cash flows from operating activities	218,371,780	506,669,839	217,782,528	500,029,119
Cash paid for interest expenses	(4,588,646)	(3,084,473)	(10,006,852)	(22,753,518)
Tax refund from income tax	-	202,163	-	202,163
Cash paid for income tax	(36,733,867)	(75,024,516)	(34,888,455)	(73,151,633)
Net cash flows from operating activities	177,049,267	428,763,013	172,887,221	404,326,131

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Decrease in long-term loan to other company	920,000	920,000	-	-
Proceeds from disposals of plant and equipment	2,776,811	210,393	2,776,811	210,393
Cash paid for acquisition of property, plant and equipment	(72,059,429)	(48,124,898)	(72,059,429)	(48,124,898)
Increase in cost of bearer plants	(4,902,640)	(5,924,064)	(4,902,640)	(5,924,064)
Cash paid for acquisition of intangible assets	(235,186)	-	(235,186)	-
Dividend received	30,000,000	-	37,945,408	3,479,546
Net cash flows used in investing activities	(43,500,444)	(52,918,569)	(36,475,036)	(50,359,023)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	90,000,000	(105,000,000)	90,000,000	(105,000,000)
Repayment for long-term loan	(58,333,334)	(41,666,666)	(58,333,334)	(41,666,666)
Cash paid for lease liabilities	(408,731)	-	(508,952)	(485,146)
Dividend paid	(145,810,305)	(162,023,950)	(145,810,305)	(162,023,950)
Net cash flows used in financing activities	(114,552,370)	(308,690,616)	(114,652,591)	(309,175,762)
Net increase in cash and cash equivalents	18,996,453	67,153,828	21,759,594	44,791,346
Cash and cash equivalents at beginning of year	99,936,008	32,782,180	61,520,294	16,728,948
Cash and cash equivalents at end of year	118,932,461	99,936,008	83,279,888	61,520,294
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Purchase of equipment for which no cash has been paid	1,225,338	1,495,760	1,225,338	1,495,760
Increase in right-of-use assets from contract modification	-	520,474	-	-

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2023

1. General information

United Palm Oil Industry Public Company Limited is a public company incorporated and domiciled in Thailand. Its parent company is Lam Soon (Thailand) Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture of crude palm oil and palm kernel oil. The registered office of the Company is at No. 64, Soi Bangna-Trad 25, Bangna Nuea Sub-District, Bangna District, Bangkok. Branch office and factory are located at No. 98 Moo 6, Nueaklong-Khao Phanom Road, Huayyoong Sub-District, Nueaklong District, Krabi.

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 United Palm Oil Industry Public Company Limited (“the Company”) and the following subsidiaries (hereinafter called as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023	2022
			(%)	(%)
<u>Shares held by the Company</u>				
Phansrivivat Co., Ltd.	Owner of oil palm plantation	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2023	2022
			(%)	(%)
<u>Shares held by the Company's subsidiary</u>				
Prachak Vivat Co., Ltd. (100% held by Phansrivivat Co., Ltd.)	Holder of concessions to use forest reserve land	Thailand	100	100
Phansri Co., Ltd. (100% held by Phansrivivat Co., Ltd.)	Holder of concessions to use forest reserve land	Thailand	100	100

- 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 significant accounting policies as the Company.
 - e) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries and joint venture under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 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 on 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 discounts.

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 dividends 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 average cost and net realisable value. Such cost includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiary and joint venture

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiary and joint venture are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment/Depreciation

Land, land ownership document and land possessory rights are stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and construction	-	20 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	5 - 10 years
Motor vehicles	-	5 - 15 years

Depreciation is included in determining income.

No depreciation is provided on land, land ownership document, land possessory rights and assets under installation and construction.

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.

4.6 Bearer plants and amortisation

Bearer plants are stated at cost less accumulated amortisation and allowance for impairment losses (if any). The cost includes cost of cultivate before production period.

Amortisation of bearer plants is calculated by reference to their cost on the straight-line basis over the estimated remaining productive life of the bearer plants (the productive life of palm tree generally 25 years).

Amortisation is included in determining income.

No amortisation is provided on bearer plants not ready for harvest.

Costs of supplying bearer plants vacancies and infilling mature areas are included in determining income.

4.7 Biological assets

The Company's biological assets are palm fruit on tree and palm nursery for sale. An agricultural produce is palm fresh fruit brunch which includes in inventories.

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 Company's factory, less estimated point of harvest costs. The palm fresh fruit brunch is determined based on reference to price of palm fruit at the front of the Company's factory, less estimated selling expenses. The fair value of palm nursery for sale is determined based on 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 Company shall measure it at its fair value less costs to sell.

4.8 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.

4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Group as 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
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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 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.

4.10 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.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment, bearer plants, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.12 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

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined 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 post-employment benefits are recognised immediately in other comprehensive income.

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.

4.13 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.

4.14 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.

4.15 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. 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.

Classification and measurement of financial liabilities

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

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 fair value through profit or loss ("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 90 days past due and considers a financial asset as credit impaired or default when contractual payments are 365 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.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 Use of quoted market prices in an active market for such assets or liabilities

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments 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:

Biological assets

The Company measured their biological assets - palm fruit on tree at their fair value less costs to sell. Such fair values were calculated using the discounted cash flows reference to price of palm fruit at the front of the Company's factory, less estimated point of harvest costs. The valuation involves certain assumptions and estimates such as price of palm fruit at the point of harvest, weight of palm fruit on tree and discount rate.

6. Related party transactions

During the years, the Group had significant business transactions with related parties, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2023	2022	2023	2022	
Transactions with parent company					
Sales of crude palm oil and crude palm kernel oil	633	1,533	633	1,533	Market price on contract's date
Sales of fresh fruit bunch	14	-	14	-	Market price on contract's date
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Dividend income	-	-	8	3	As declared
Palm plantation rental expenses	-	-	7	7	Contract rate
Interest expenses	-	-	8	4	BIBOR + 1% per annum (2022: THBFIX + 1% per annum)
Transactions with joint venture					
Land rental income	1	1	1	1	Agreed between parties
Purchases of oil palm seeds and fresh fruit bunch	14	12	14	12	Market price
Dividend income	30	-	30	-	As declared

The balance of the accounts between the Company and those related parties as at 31 December 2023 and 2022.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade and other receivables - related party (Note 8)				
Parent company	42,951	9,751	42,951	9,751
Total	42,951	9,751	42,951	9,751
Trade and other payables - related parties (Note 18)				
Subsidiaries	-	-	264,200	259,454
Total	-	-	264,200	259,454
Lease liabilities - related party				
Subsidiary	-	-	63,196	63,705
Total	-	-	63,196	63,705

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2023	2022
Short-term employee benefits	32,793	23,709
Post-employment benefits	374	358
Total	33,167	24,067

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash	1,178	1,186	1,169	1,178
Bank deposits	117,754	98,750	82,111	60,342
Total	118,932	99,936	83,280	61,520

As at 31 December 2023, bank deposits in saving accounts carried interests between 0.15% and 0.60% per annum (2022: between 0.05% and 0.35% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade receivables - related party				
Aged on the basis of due dates				
Not yet due	35,134	9,751	35,134	9,751
Past due up to 3 months	7,817	-	7,817	-
Total trade receivables - related party (Note 6)	42,951	9,751	42,951	9,751
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	29,333	25,797	29,333	25,797
Total trade receivables - unrelated parties	29,333	25,797	29,333	25,797
Total trade receivables	72,284	35,548	72,284	35,548
Other receivables				
Accrued income	521	1,533	377	1,444
Total other receivables	521	1,533	377	1,444
Total trade and other receivables	72,805	37,081	72,661	36,992

The normal credit term is 15 to 30 days.

9. Inventories

(Unit: Thousand Baht)

	Consolidated/Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	180,021	215,200	-	8,859	180,021	206,341
Work in process	421	1,676	-	-	421	1,676
Spare parts, supplies and others	14,277	13,634	-	-	14,277	13,634
Total	194,719	230,510	-	8,859	194,719	221,651

During the year 2023, the Company reversed the write-down of cost of inventories by Baht 8.9 million, and reduce the amount of inventories recognised as expense during the year.

During the year 2022, the Company reduced cost of inventories by Baht 8.9 million, to reflect the net realisable value. This was included in cost of sales.

10. Biological assets

Movements in the biological assets account for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Palm nursery		
	for sales	Palm fruit on tree	Total
Balance as at 1 January 2022	13,462	98,811	112,273
Gain arising from changes in fair value	20,959	711,834	732,793
Increases due to cultivate	17,884	-	17,884
Decreases due to harvest	-	(619,334)	(619,334)
Decreases due to sales	(32,993)	(2,460)	(35,453)
Decreases due to write-off	(4,637)	-	(4,637)
Balance as at 31 December 2022	14,675	188,851	203,526
Gain arising from changes in fair value	37,528	392,044	429,572
Increases due to cultivate	27,553	-	27,553
Decreases due to harvest	-	(409,525)	(409,525)
Decreases due to sales	(34,990)	(13,618)	(48,608)
Decreases due to 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 at the valuation date were as follows:

Prices of palm fruit at harvest point are estimated based on purchase prices of palm fruit at the front of the Company's factory from which the Company purchased in the past less estimated harvesting cost and transportation cost from each estate.

Weight of palm fruit on tree are estimated with references 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.

For the year 2023, discount rate is estimated at the rate of 5% by weighted average cost of capital method (2022: 4%).

The result 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/Separate financial statements			
	2023		2022	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Prices of palm fruit at harvest point	16,127	(16,127)	19,485	(19,485)
Weight of palm fruit on tree	15,724	(15,724)	19,485	(19,485)

11. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements.

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend income	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Million Baht)	(Million Baht)	(%)	(%)				
Phansrivivat Co., Ltd.	274	274	100	100	307,895	307,895	7,946	3,479
Total					<u>307,895</u>	<u>307,895</u>	<u>7,946</u>	<u>3,479</u>

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 is as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amount based on equity method	
		2023	2022	2023	2022	2023	2022
		(%)	(%)				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	94,968	62,450
Total				<u>25,000</u>	<u>25,000</u>	<u>94,968</u>	<u>62,450</u>

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements			
		Shareholding percentage		Cost	
		2023	2022	2023	2022
		(%)	(%)		
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000
Total				<u>25,000</u>	<u>25,000</u>

12.2 Share of comprehensive income

During the years, the Company recognised its share of comprehensive income and dividend income from a joint venture in the financial statements as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements				Separate financial statements	
	Share of profit		Share of other comprehensive income		Dividend received during the year	
	2023	2022	2023	2022	2023	2022
Siam Elite Palm Co., Ltd.	62,547	35,880	(29)	-	30,000	-
Total	<u>62,547</u>	<u>35,880</u>	<u>(29)</u>	<u>-</u>	<u>30,000</u>	<u>-</u>

12.3 Summarised financial information of material joint venture

Summarised information about financial position as at 31 December 2023 and 2022.

	(Unit: Thousand Baht)	
	Siam Elite Palm Co., Ltd.	
	2023	2022
Current assets	209,493	207,890
Non-current assets	30,713	32,808
Total assets	240,206	240,698
Current liabilities	(48,548)	(114,335)
Non-current liabilities	(1,722)	(1,463)
Total liabilities	(50,270)	(115,798)
Net assets	189,936	124,900
Shareholding percentage (%)	50	50
Carrying amount of joint venture based on equity method	94,968	62,450

Summarised information about comprehensive income for the years ended 31 December 2023 and 2022.

	(Unit: Thousand Baht)	
	Siam Elite Palm Co., Ltd.	
	2023	2022
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
Carrying amount of joint venture based on equity method	62,518	35,880

13. Long-term loan to other company

As at 31 December 2023, a subsidiary has loan to other company of Baht 16 million (2022: Baht 17 million). The loan has no collateral and carry interest at a rate of BIBOR + 1% per annum (2022: THBFIX + 1% per annum). Principal payments are to be made at the end of June and December each year, with the final payment due in June 2040.

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land ownership document	Land possessory rights	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Cost								
1 January 2022	687,911	2,051	306,565	660,033	30,583	129,828	9,927	1,826,898
Additions	-	64	-	2,248	1,071	8,936	36,531	48,850
Disposals/write-off	(1,270)	-	(14,610)	(6,277)	(1,182)	(4,565)	-	(27,904)
Transfer in (out)	-	-	1,211	41,260	134	-	(42,605)	-
31 December 2022	686,641	2,115	293,166	697,264	30,606	134,199	3,853	1,847,844
Additions	191	-	8,810	29,733	1,345	24,535	7,174	71,788
Disposals/write-off	-	-	(832)	(37,576)	-	(6,595)	-	(45,003)
Transfer in (out)	-	-	-	6,732	-	-	(6,732)	-
31 December 2023	686,832	2,115	301,144	696,153	31,951	152,139	4,295	1,874,629
Accumulated depreciation								
1 January 2022	-	-	232,480	549,681	29,051	114,206	-	925,418
Depreciation for the year	-	-	8,145	17,456	698	4,430	-	30,729
Depreciation on disposals/write-off	-	-	(12,905)	(6,276)	(1,182)	(4,565)	-	(24,928)
31 December 2022	-	-	227,720	560,861	28,567	114,071	-	931,219
Depreciation for the year	-	-	8,043	20,907	728	4,941	-	34,619
Depreciation on disposals/write-off	-	-	(619)	(36,300)	-	(6,374)	-	(43,293)
31 December 2023	-	-	235,144	545,468	29,295	112,638	-	922,545

(Unit: Thousand Baht)

Consolidated financial statements (continued)

	Land and land ownership document	Land possessory rights	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Allowance for impairment loss								
1 January 2022	23,669	-	-	-	-	-	-	23,669
Decrease during the year	(15,515)	-	-	-	-	-	-	(15,515)
31 December 2022	8,154	-	-	-	-	-	-	8,154
Decrease during the year	(15)	-	-	-	-	-	-	(15)
31 December 2023	8,139	-	-	-	-	-	-	8,139
Net book value								
31 December 2022	678,487	2,115	65,446	136,403	2,039	20,128	3,853	908,471
31 December 2023	678,693	2,115	66,000	150,685	2,656	39,501	4,295	943,945
Depreciation for the years								
2022 (Baht 30 million included in manufacturing cost, and the remaining balance in selling and distribution and administrative expenses)								30,729
2023 (Baht 34 million included in manufacturing cost, and the remaining balance in selling and distribution and administrative expenses)								34,619

(Unit: Thousand Baht)

Separate financial statements

	Land and land ownership document	Land possessory rights	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Cost								
1 January 2022	687,911	2,051	290,113	660,033	30,583	129,828	9,927	1,810,446
Additions	-	64	-	2,248	1,071	8,936	36,531	48,850
Disposals/write-off	(1,270)	-	(14,610)	(6,277)	(1,182)	(4,565)	-	(27,904)
Transfer in (out)	-	-	1,211	41,260	134	-	(42,605)	-
31 December 2022	686,641	2,115	276,714	697,264	30,606	134,199	3,853	1,831,392
Additions	191	-	8,810	29,733	1,345	24,535	7,174	71,788
Disposals/write-off	-	-	(832)	(37,576)	-	(6,595)	-	(45,003)
Transfer in (out)	-	-	-	6,732	-	-	(6,732)	-
31 December 2023	686,832	2,115	284,692	696,153	31,951	152,139	4,295	1,858,177
Accumulated depreciation								
1 January 2022	-	-	216,029	549,681	29,051	114,205	-	908,966
Depreciation for the year	-	-	8,145	17,456	698	4,430	-	30,729
Depreciation on disposals/write-off	-	-	(12,905)	(6,276)	(1,182)	(4,565)	-	(24,928)
31 December 2022	-	-	211,269	560,861	28,567	114,070	-	914,767
Depreciation for the year	-	-	8,043	20,907	728	4,941	-	34,619
Depreciation on disposals/write-off	-	-	(619)	(36,299)	-	(6,374)	-	(43,292)
31 December 2023	-	-	218,693	545,469	29,295	112,637	-	906,094

(Unit: Thousand Baht)

Separate financial statements (continued)

	Land and land ownership document	Land possessory rights	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
Allowance for impairment loss								
1 January 2022	23,669	-	-	-	-	-	-	23,669
Decrease during the year	(15,515)	-	-	-	-	-	-	(15,515)
31 December 2022	8,154	-	-	-	-	-	-	8,154
Decrease during the year	(15)	-	-	-	-	-	-	(15)
31 December 2023	8,139	-	-	-	-	-	-	8,139
Net book value								
31 December 2022	678,487	2,115	65,445	136,403	2,039	20,129	3,853	908,471
31 December 2023	678,693	2,115	65,999	150,684	2,656	39,502	4,295	943,944
Depreciation for the years								
2022 (Baht 30 million included in manufacturing cost, and the remaining balance in selling and distribution and administrative expenses)								30,729
2023 (Baht 34 million included in manufacturing cost, and the remaining balance in selling and distribution and administrative expenses)								34,619

As at 31 December 2023, certain items of plant and equipment of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 752 million (2022: Baht 763 million) (the Company only: Baht 736 million (2022: Baht 747 million)).

15. Leases

15.1 The Group as lessee

The Group entered into lease contract for the purposes of use in the Group's operations, whereby underlying asset 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

Movements in the right-of-use assets account, which is land, for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
1 January 2022	34,982	56,230
Differences from contract modification	520	-
Depreciation for the year	(1,576)	(2,499)
31 December 2022	33,926	53,731
Depreciation for the year	(1,575)	(2,499)
31 December 2023	32,351	51,232

The subsidiary entered into a lease contract 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 is required to comply with prescribed terms and conditions.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Lease payments	68,895	71,253	104,002	107,558
Less: Deferred interest expenses	(25,791)	(27,741)	(40,806)	(43,853)
Total	43,104	43,512	63,196	63,705
Less: Portion due within one year	(606)	(408)	(803)	(509)
Portion due more than one year	42,498	43,104	62,393	63,196

Movements in the lease liabilities account for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Balance at beginning of year	43,512	42,992	63,705	64,190
Additions	-	520	-	-
Accretion of interest	1,950	-	3,047	3,071
Repayments	(2,358)	-	(3,556)	(3,556)
Balance at end of year	<u>43,104</u>	<u>43,512</u>	<u>63,196</u>	<u>63,705</u>

A maturity analysis of lease payments is disclosed in Note 35.1 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	
	For the years ended 31 December			
	2023	2022	2023	2022
Depreciation of right-of-use assets	1,575	1,576	2,499	2,499
Interest expenses of lease liabilities	1,950	-	3,047	3,071
Expenses relating to short-term leases	200	-	200	-
Expenses relating to leases of low-value assets	272	451	272	451

d) Others

The Group had total cash outflows for leases for the years ended 31 December 2023 and 2022 of Baht 3 million (the Company only: Baht 4 million), including the cash outflow related to short-term lease and leases of low-value assets.

16. Bearer plants

(Unit: Thousand Baht)

	Consolidated financial statements		
	Bearer plants	Bearer plants	Total
	ready for harvest	not ready for harvest	
Cost			
1 January 2022	616,922	14,641	631,563
Additions	-	5,924	5,924
Write-off	(6,923)	-	(6,923)
Transfer in (out)	5,050	(5,050)	-
31 December 2022	615,049	15,515	630,564
Additions	-	4,903	4,903
Write-off	(175)	-	(175)
Transfer in (out)	2,944	(2,944)	-
31 December 2023	617,818	17,474	635,292
Accumulated amortisation			
1 January 2022	419,319	-	419,319
Amortisation charged for the year	10,410	-	10,410
Amortisation on write-off	(4,067)	-	(4,067)
31 December 2022	425,662	-	425,662
Amortisation charged for the year	10,657	-	10,657
Amortisation on write-off	(159)	-	(159)
31 December 2023	436,160	-	436,160
Allowance for impairment loss			
1 January 2022	35,792	-	35,792
Decrease during the year	(2,841)	-	(2,841)
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	156,436	15,515	171,951
31 December 2023	148,742	17,474	166,216
Amortisation for the years (included in manufacturing cost)			
2022			10,410
2023			10,657

(Unit: Thousand Baht)

	Separate financial statements		
	Bearer plants	Bearer plants	Total
	ready for harvest	not ready for harvest	
Cost			
1 January 2022	324,204	14,641	338,845
Additions	-	5,924	5,924
Write-off	(6,923)	-	(6,923)
Transfer in (out)	5,050	(5,050)	-
31 December 2022	322,331	15,515	337,846
Additions	-	4,903	4,903
Write-off	(175)	-	(175)
Transfer in (out)	2,944	(2,944)	-
31 December 2023	325,100	17,474	342,574
Accumulated amortisation			
1 January 2022	126,601	-	126,601
Amortisation charged for the year	10,410	-	10,410
Amortisation on write-off	(4,067)	-	(4,067)
31 December 2022	132,944	-	132,944
Amortisation charged for the year	10,657	-	10,657
Amortisation on write-off	(159)	-	(159)
31 December 2023	143,442	-	143,442
Allowance for impairment loss			
1 January 2022	35,792	-	35,792
Decrease during the year	(2,841)	-	(2,841)
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	156,436	15,515	171,951
31 December 2023	148,742	17,474	166,216
Amortisation for the years (included in manufacturing cost)			
2022			10,410
2023			10,657

As at 31 December 2023, the land used by the Company 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 Company and it is in the process of acquiring legal documentation of ownership.

A permit from Royal Forest Department granted to a subsidiary for the exploitation or inhabitation in the National Reserved Forests expired in January 2015. The subsidiary has leased the land of 13,030 rai to the Company for utilisation. The 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 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 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.

17. Short-term loans from financial institutions

			(Unit: Thousand Baht)	
	Interest rate		Consolidated/Separate	
	(% per annum)		financial statements	
	2023	2022	2023	2022
Short-term loans from financial institutions	3.10 - 3.15	1.90	130,000	40,000
Total			130,000	40,000

18. Trade and other payables

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade payables - unrelated parties	9,251	8,694	9,251	8,694
Other payables - related parties (Note 6)	-	-	264,200	259,454
Other payables - unrelated parties	3,472	3,543	3,472	3,543
Payables for purchase of assets -				
unrelated parties	1,225	1,496	1,225	1,496
Accrued expenses	16,393	16,344	16,243	16,195
Total trade and other payables	30,341	30,077	294,391	289,382

As at 31 December 2023 and 2022, other payables - related party is represented payable of rental charge and related accrued interest which carry an interest at a rate of BIBOR + 1% per annum (2022: THBFIX + 1% per annum) for past due balance of rental charge payable.

19. Long-term loan

			(Unit: Thousand Baht)	
			Consolidated/Separate	
			financial statements	
Loan	Interest rate (% per annum)	Repayment schedule	2023	2022
1	3M BIBOR + 1.50	Repayable in 12 quarterly installments, with the first due in July 2021	-	25,000
2	3M BIBOR + 1.50	Repayable in 12 quarterly installments, with the first due in March 2022	-	33,333
Total			-	58,333
Less: Portion due within one year			-	(31,667)
Portion due more than one year			-	26,666

Movements in the long-term loan account for the years ended 31 December 2023 and 2022 are summarised below.

			(Unit: Thousand Baht)	
			Consolidated/Separate	
			financial statements	
			2023	2022
Balance at beginning of year			58,333	100,000
Repayment during the year			(58,333)	(41,667)
Balance at end of year			-	58,333

The long-term loan is clean loan with a negative pledge of assets belonging to the Company. The loan agreement contains covenant relating to maintenance of certain financial ratios specified in the agreement.

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	Termination benefits		Long-term employee benefits	
	2023	2022	2023	2022
Balance at beginning of year	-	-	17,309	17,390
Included in profit or loss:				
Current service cost	-	-	867	950
Interest cost	-	-	312	147
Gains or losses on settlement	-	-	(2,505)	-
Termination benefits	-	309	-	-
Total	-	309	(1,326)	1,097
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	-	-	(181)	-
Experience adjustments	-	-	5,923	-
Benefits paid during the year	-	(309)	(5,318)	(1,178)
Balance at end of year	-	-	16,407	17,309

The Company had obligations in respect of compensations payable to employees who voluntarily participated in early retirement schemes. The Company considered these compensations as termination benefits and recorded additional compensations to employees as expenses.

The Company expects to pay Baht 6 million of long-term employee benefits during the next year (2022: Baht 3 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 3 years (2022: 10 years).

Significant actuarial assumptions used for the valuation are as follows:

	Consolidated/Separate financial statements	
	2023	2022
	(% per annum)	(% per annum)
Discount rate	2.6	1.1
Salary increase rate	5.0	4.0

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: Thousand Baht)			
	Consolidated/Separate financial statements			
	2023		2022	
	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Discount rate	(223)	234	(296)	312
Salary increase rate	298	(275)	380	(350)

21. 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	financial statements	financial statements
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	32,805	78,440	30,736	76,734
Adjustment of income tax charge for previous year	456	631	456	631
Deferred tax:				
Relating to origination and reversal of temporary differences	(198)	(8,911)	(362)	(8,999)
Income tax expenses reported in profit or loss	<u>33,063</u>	<u>70,160</u>	<u>30,830</u>	<u>68,366</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	financial statements	financial statements
	2023	2022	2023	2022
Deferred tax on actuarial losses	1,148	-	1,148	-
Total	<u>1,148</u>	<u>-</u>	<u>1,148</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	236,571	387,442	200,585	346,363
Applicable tax rates	0%, 15% and 20%	0%, 15% and 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rates	47,183	77,300	40,117	69,273
Adjustment of income tax charge for previous year	456	631	456	631
Share of profit from a joint venture	(12,509)	(7,176)	-	-
Effects of:				
Promotional privileges (Note 25)	(1,509)	(857)	(1,509)	(857)
Non-deductible expenses	179	1,056	92	809
Additional expense deductions allowed	(737)	(794)	(737)	(794)
Dividend received	-	-	(7,589)	(696)
Total	(2,067)	(595)	(9,743)	(1,538)
Income tax expenses reported in profit or loss	33,063	70,160	30,830	68,366

As at 31 December 2023 and 2022, the components of deferred tax assets (liabilities) are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for diminution in value of inventories	-	1,772	-	1,772
Allowance for assets impairment	8,212	8,221	8,212	8,221
Provision for long-term employee benefits	3,281	3,462	3,281	3,462
Leases	2,150	1,917	2,392	1,995
Total	13,643	15,372	13,885	15,450
Deferred tax liabilities				
Change in fair value of biological assets and the differences between fair value and costs of agricultural produce	(35,039)	(38,069)	(35,039)	(38,069)
Revenue recognition under leases	(99)	(144)	(99)	(144)
Total	(35,138)	(38,213)	(35,138)	(38,213)
Net	(21,495)	(22,841)	(21,253)	(22,763)

22. 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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

According to the Thai Civil and Commercial Code, the subsidiary is required to set aside to a statutory reserve an amount equal to at least 5% of its net profit each time the subsidiary pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve cannot be used for dividend payment. At present, the statutory reserve has fully been set aside.

23. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interest expenses on borrowing	2,668	2,818	2,668	2,818
Interest expenses on lease liabilities	1,950	-	3,047	3,071
Interest expenses on other payables	-	-	7,826	3,917
Total	4,618	2,818	13,541	9,806

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Salary and wages and other employee benefits	104,839	93,276	104,839	93,276
Depreciation	36,194	32,305	37,118	33,228
Amortisation	10,734	10,456	10,734	10,456
Transportation expenses	37,311	38,930	37,311	38,930
Rental expenses	2,526	2,994	3,573	3,582
Repair and maintenance expenses	47,308	41,065	47,308	41,065
Raw materials and consumables used	798,275	1,553,026	798,275	1,553,026
Changes in finished goods and work in process	36,434	13,225	36,434	13,225

25. Promotional privileges

The Company has received promotional privileges from the Board of Investment for various operations subject to certain imposed conditions. Details are as follows.

<u>Certificate No.</u>	<u>Principal privileges</u>
65-0092-1-00-1-0 Generation of electricity from biogas	- Exemption from corporate income tax on income from the promoted operations for a period of 8 years from the date of first earning operating income (27 September 2022).
66-1162-1-05-1-0 Generation of electricity from biomass	- Exemption from corporate income tax at a rate of 50% on income from the promoted operations for a period of 3 years from the date of first earning after receiving a promotional certificate (20 September 2023).

The Company's operating revenues for the years ended 31 December 2023 and 2022, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	2023	2022	2023	2022	2023	2022
Revenue	19,804	9,287	1,461,684	2,228,242	1,481,488	2,237,529

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Profit for the year (Thousand Baht)	203,508	317,281	169,755	277,996
Weighted average number of ordinary shares (Thousand shares)	324,050	324,050	324,050	324,050
Earnings per share (Baht)	0.63	0.98	0.52	0.86

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's business operations involve 2 principal segments (1) oil palm plantation, crude palm oil and crude palm kernel oil processing (2) generation of electricity from biogas and biomass. These activities are carried on exclusively in the single geographic area of Thailand. During the years, there were no material activities pertaining to the generation of electricity from biogas and biomass segment for the Group. Accordingly, most of the revenues, operating profit and assets as reflected in these financial statements pertain to the industry segment (1) and geographic area as mentioned above.

For the year 2023, the Group had revenue from two major customers in amount of Baht 1,175 million (2022: one major customer in amount of Baht 1,533 million), arising from oil palm plantation, crude palm oil and crude palm kernel oil processing segment.

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. However, for employees who joined the Company from 15 January 2010 onwards, the contribution rates are 2% - 5% of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years 2023 and 2022 amounting to Baht 2 million were recognised as expenses.

29. Dividends

Dividends	Approved by	Consolidated/Separate financial statements	
		Total dividends (Million Baht)	Dividends per share (Baht)
Final dividends for 2021	Annual General Meeting of the shareholders on 8 April 2022	162	0.50
Total for 2022		162	0.50
Final dividends for 2022	Annual General Meeting of the shareholders on 7 April 2023	146	0.45
Total for 2023		146	0.45

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2023, the Company had capital commitments of Baht 5 million (2022: Baht 14 million), relating to acquisition of machine and equipment.

30.2 Guarantees

As at 31 December 2023 and 2022, there were outstanding bank guarantees of Baht 4 million issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

31. Rights to utilise land

- a) 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 designated 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 the notice was announced at the ALRO in Krabi, i.e. from 19 August 2020. On 3 September 2020, the Company as a landowner submitted a petition with evidence and documents regarding land rights over the designated land plots.

In 2020 and 2021, the Company 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 Company'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 Company 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 Company 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.

- b) On 4 June 2021, the ALRO 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, were a prospective area for land reform which is not incorporated in a land reform program. A landowner was required to provide evidence and documentation regarding land rights under the Land Code or other applicable laws within 15 days from the date the announcement was posted at the ALRO in Krabi.

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

On 6 December 2022, the Company 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 Company 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 Company objected to the judgement, the Company could file a lawsuit with the Phuket Administrative Court.

On 24 March 2023, the Company 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 ALRO 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 Company 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.

32. Litigation

- a) On 6 July 2020, the Company was served with a summons in a criminal action involving alleged trespass, which the ALRO in Krabi had made an allegation against the Company. Krabi chief public prosecutor issued a letter requiring inquiry officers to follow up on and pursue the case against the Company. On 20 August 2020, the Company turned themselves in to the authorities and acknowledged the allegation. On 18 September 2020, the Company submitted a written testimony to inquiry officers.

On 9 September 2021, Krabi chief public prosecutor filed a lawsuit against the Company with the Court, alleging that the Company 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 Company.

On 18 April 2023, the case reached its conclusion by the Court dismissed the case.

- b) The Company 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 Company'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 a judgement ordering the Director-General of Surat Thani Land Office and land officers of Surat Thani Province, Phra Saeng Branch, to perform duties under Section 61 of the Land Code in revoking or amending the Company's land title deeds of 13 plots and 10 plots under Nor Sor 3 Kor certificates to ensure the legitimacy of the deeds, and the Director-General of the Forest Department shall conduct relevant actions under his authority to evict the Company from the disputed land within 180 days from the date the case is finalised.

On 16 April 2021, the Company appealed against the judgement to the Supreme Administrative Court. The management believed that the Company could probably successfully appeal against the judgment thanks to evidence at hand.

- c) On 25 November 2022, the Land Department issued a letter ordering the revocation of the Company'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 Company 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 Company 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 Company decided to file a new lawsuit on 26 May 2023, which is currently under consideration of the Central Administrative Court.

However, if the Company 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.

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

33. Compensation from insurance

In September 2022, the Company received full compensation from business interruption insurance for the fire incident at the Krabi factory in 2020.

34. Fair value hierarchy

As of 31 December 2023 and 2022, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated/Separate financial statements				
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	37,616	157,752	195,368

(Unit: Thousand Baht)				
Consolidated/Separate financial statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	14,675	188,851	203,526

During the years 2023 and 2022, there was no transfer within the fair value hierarchy.

35. Financial instruments

35.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, short-term and long-term borrowings and trade and other payables. 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 accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade 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 customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

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 coverage by letters of credit for some customers 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, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis and proposed the increment of credit limits for approval by the Company's Board of Directors. 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 debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are 3 types of market risk comprising foreign currency risk, interest rate risk and commodity price risk.

Foreign currency risk

The Group exposure to foreign currency risk arises mainly from machinery purchase transactions that are denominated in foreign currency. The Group manages its exposure to foreign currency risk by considering purchase/sale of forward contracts from time to time so as to reduce exposure to the foreign currency risk which may incur. The Group had no forward contracts outstanding at the end of reporting period.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans and short-term and long-term borrowings. 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 manages its interest rate risk by having a balanced portfolio of interest rate borrowings.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate 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: Thousand Baht)

Consolidated financial statements

	Consolidated financial statements												Effective	
	Fixed interest rates						Floating		Non-interest		Total		interest rate	
	Within 1 year		1 - 5 years		Over 5 years		interest rate		bearing		Total		interest rate	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
													(% per annum)	
Financial assets														
Cash and cash equivalents	-	-	-	-	-	-	117,754	98,750	1,178	1,186	118,932	99,936	0.15 - 0.60	0.05 - 0.35
Trade and other receivables	-	-	-	-	-	-	-	-	72,805	37,081	72,805	37,081	-	-
Lease receivables	119	699	379	21	-	-	-	-	-	-	498	720	1.80	1.80
Long-term loan to other company	-	-	-	-	-	-	15,640	16,560	-	-	15,640	16,560	BIBOR + 1	THBFIX + 1
	119	699	379	21	-	-	133,394	115,310	73,983	38,267	207,875	154,297		
Financial liabilities														
Short-term loans from financial institution	130,000	40,000	-	-	-	-	-	-	-	-	130,000	40,000	3.10 - 3.15	1.90
Trade and other payables	-	-	-	-	-	-	-	-	30,341	30,077	30,341	30,077	-	-
Long-term loan	-	-	-	-	-	-	-	58,333	-	-	-	58,333	-	3M
														BIBOR + 1.5
Lease liabilities	606	408	3,498	3,170	39,000	39,934	-	-	-	-	43,104	43,512	4.50	4.50
	130,606	40,408	3,498	3,170	39,000	39,934	-	58,333	30,341	30,077	203,445	171,922		

(Unit: Thousand Baht)

	Separate financial statements													
	Fixed interest rates						Floating		Non-interest		Effective			
	Within 1 year		1 - 5 years		Over 5 years		interest rate		bearing		Total		interest rate	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(% per annum)													
Financial assets														
Cash and cash equivalents	-	-	-	-	-	-	82,111	60,342	1,169	1,178	83,280	61,520	0.15 - 0.60	0.05 - 0.35
Trade and other receivables	-	-	-	-	-	-	-	-	72,661	36,992	72,661	36,992	-	-
Lease receivables	119	699	379	21	-	-	-	-	-	-	498	720	1.80	1.80
	119	699	379	21	-	-	82,111	60,342	73,830	38,170	156,439	99,232		
Financial liabilities														
Short-term loans from financial institution	130,000	40,000	-	-	-	-	-	-	-	-	130,000	40,000	3.10 - 3.15	1.90
Trade and other payables	-	-	-	-	-	-	264,200	259,454	30,191	29,928	294,391	289,382	BIBOR + 1	THBFIX + 1
Long-term loan	-	-	-	-	-	-	-	58,333	-	-	-	58,333	-	3M
														BIBOR + 1.5
Lease liabilities	803	509	4,815	4,326	57,578	58,870	-	-	-	-	63,196	63,705	4.80	4.80
	130,803	40,509	4,815	4,326	57,578	58,870	264,200	317,787	30,191	29,928	487,587	451,420		

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 other payables as at 31 December 2023 of 1% increase or decrease in interest rates, with other variables held constant, would not be material.

Commodity price risk

The Group is exposed to commodity price risk from fresh palm fruit and crude palm oil. Price volatility has depended on the supply among the market. The Group has policy for procurement and inventory management that are managed by considering planned production volume and changes in the price of fresh palm fruit and crude palm oil.

Liquidity risk

This is the risks that the Group will be unable to pay debts and meet obligations when due, because of inability to timely convert assets into cash when settlement is due, obtain sufficient funds to meet the funding needs, or is able to obtain funds but at the cost that is beyond an acceptable level. These risks may affect the Group's income and financial position.

The Group has a liquidity management policy, control of liquidity risk at acceptable levels, which stipulates the tools to be used for monitoring and controlling liquidity risk by the management. The tools used for liquidity risk management include estimate of cash inflows and outflows to assess liquidity position on various periods, manage liquidity to be available for debt repayment on due and analysis of key financial ratios. In addition, 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 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 - 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	130,684	-	-	-	130,684
Trade and other payables	-	30,341	-	-	30,341
Lease liabilities	-	2,535	10,849	55,511	68,895
Total non-derivatives	130,684	32,876	10,849	55,511	229,920

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2023

	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	130,684	-	-	-	130,684
Trade and other payables	-	294,391	-	-	294,391
Lease liabilities	-	3,822	16,356	83,824	104,002
Total non-derivatives	<u>130,684</u>	<u>298,213</u>	<u>16,356</u>	<u>83,824</u>	<u>529,077</u>

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	40,062	-	-	-	40,062
Trade and other payables	-	30,077	-	-	30,077
Long-term loan	-	32,950	27,034	-	59,984
Lease liabilities	-	2,358	10,672	58,223	71,253
Total non-derivatives	<u>40,062</u>	<u>65,385</u>	<u>37,706</u>	<u>58,223</u>	<u>201,376</u>

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	40,062	-	-	-	40,062
Trade and other payables	-	289,382	-	-	289,382
Long-term loan	-	32,950	27,034	-	59,984
Lease liabilities	-	3,556	16,089	87,913	107,558
Total non-derivatives	<u>40,062</u>	<u>325,888</u>	<u>43,123</u>	<u>87,913</u>	<u>496,986</u>

35.2 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

36. 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 maximize 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 0.16:1 (2022: 0.15:1) and the Company's was 0.36:1 (2022: 0.34:1).

37. Event after the reporting period

On 22 February 2024, a meeting of the Company's Board of Directors passed a resolution to propose the payment of a dividend from operating results for the year 2023 of Baht 0.30 per share, or a total of Baht 97 million, for approval by the Annual General Meeting of the Company's shareholders for the year 2024.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2024.

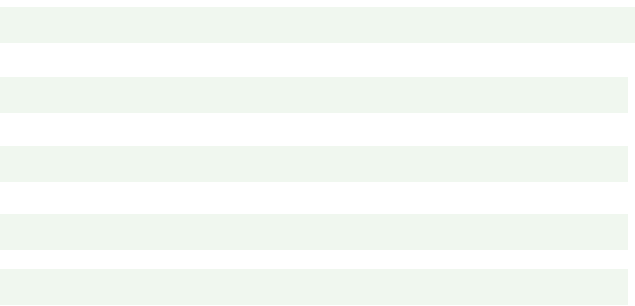
Attachment



Attachment

Detail of Directors, Executives, and
Company Secretary

1



Detail

Independent director, Chairman of the Board, Chairman of Audit and Corporate Governance Committee, Member of Remuneration Committee and Member of Nomination Committee

Age 69 years
 Nationality Thai
 Number of years as a director 3 years
 (Date of appointment: 23 April 2021)

Shareholdings (Ordinary Shares)

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

Family relation with management

None

EDUCATION

- Ph.D., Economics, University of Hawaii
- Master's Degree, Economics (English Program), Thammasat University
- Bachelor's Degree, Economics (Second-honors), Thammasat University

DIRECTOR TRAINING PROGRAMME

- Thai Institute of Directors (IOD)
 - Certificate of Completion RCP 45/2019
 - Certificate of Completion AACP 29/2018
 - Certificate of Completion CDC 3/2008
 - Certificate of Completion DCP 82/2006
 - Certificate of Completion DAP 32/2005
 - Certificate of Completion FND 19/2005

POSITION IN COMPANIES WITH RELATING BUSINESS

- Position in companies with relating business might have a conflict of interest with the Company
None
- Others
None

THE NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES

- Chairman 4 companies
- Director 1 company

POSITION IN OTHER LISTED COMPANIES

Present

- Chairman and Independent Director, AP (Thailand) Public Company Limited
- Chairman, Independent Director and Member of Audit Committee, Banpu Power Public Company Limited
- Independent Director, Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee Member, GMM Grammy Public Company Limited
- Chairman and Independent Director, Function International Public Company Limited

Past

- Independent Director and Chairman of Audit Committee, Fortune Parts Industry Public Company Limited
- Director, Thai Oil Public Company Limited
- Acting Chairman and Director, PTT Public Company Limited

OTHER EXPERIENCE

Present

- Chairman, Travelex (Thailand) Company Limited
- Chairman, RX Company Limited
- Chairman, R.X. Manufacturing Co., Ltd.
- Executive Chairman, Thammasat Leadership Program Institute
- Executive Director, Fiscal Policy Research Institute Foundation
- Director, Thammasatchalermprakeit Hospital Foundation
- Vice President, American University Alumni Association under the Royal Patronage (AUAA)
- Director, Thammasat Department of Anandamahidol Foundation

Past

- Director General, Treasury Department, Ministry of Finance
- Chairman, Government Housing Bank
- Chairman, Export-Import Bank of Thailand
- Board member, Government Savings Bank
- Board member, Neighboring Countries Economic Development Cooperation Agency (Public Organisation)
- Chairman, Deposit Protection Agency of Thailand
- Chairman, SME Bank
- Chairman, Small Industry Credit Guarantee Corporation
- Chairman, Thai Asset Management Corporation
- Chairman, Secondary Mortgage Corporation
- Board member, Thai Capital market Agency
- Board member, Financial Institution Policy Committee
- Board member, Government pension Fund
- Chairman, Dhanarak Asset Development Co., Ltd

Ms. Anchalee Suebchantasiri

Detail

Vice-Chairman of the Board of Directors, Member of Sustainability Committee, Managing Director and Authorized Director

Age 65 years
Nationality Thai
Number of years as a director 21 years
(Date of appointment: 18 June 2003)

Shareholdings (Ordinary Shares)

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

Family relation with management

None

EDUCATION

- Bachelor's degree in Accountancy, Thammasat University

DIRECTOR TRAINING PROGRAMME

- Thai Institute of Directors (IOD)
 - Certificate of Completion DCP 36/2003
 - Certificate of Completion CSP 26/2008

THE NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES

- Chairman 0 Company
- Director 1 Company

POSITION IN OTHER LISTED COMPANIES

Present

- None

Past

- Managing Director, Lam Soon (Thailand) Plc.

OTHER EXPERIENCE

Present

- 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.
- Chairman of Board of Directors, Siam Elite Palm Co., Ltd.

Mr. Anusorn Buranakanonda

Detail

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

Age	66 years	Shareholdings (Ordinary Shares)	
Nationality	Thai	• Held personally	None
Number of years as a director	1 year	• Held by spouse or minor children	None
(Date of appointment: 7 April 2023)		Family relation with management	None

EDUCATION

- International Development Planning
Cornell University (Fulbright scholarship)
- Political Science, Thammasat University

DIRECTOR TRAINING PROGRAMME

- None

POSITION IN COMPANIES WITH RELATING BUSINESS

- Position in companies with relating
business might have a conflict of interest
with the Company
None
- Others
None

THE NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES

- Chairman 0 Company
- Director 1 Company

POSITION IN OTHER LISTED COMPANIES

Present

- None

Past

- None

OTHER EXPERIENCE

Present

- None

Past

- CEO, CIMB-Principal Asset Management
- Executive Director, United Palm Oil Industry Plc.
- Private Equity Fund Manager, Aureos Capital and Commonwealth Development Corporation (CDC), (UK)
- Senior Executive Vice President, Ayudhya Investment and Trust (AITCO)
- Vice President, Citicorp Finance (Thailand)
- Repatriation Officer, the United Nations High Commissioner for Refugees (UNHCR)

Mr. Wasin Patchakapati

Detail

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

Age 70 years
Nationality Thai
Number of years as a director 8 years
(Date of appointment : 26 April 2016)

Shareholdings (Ordinary Shares)

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

Family relation with management

None

EDUCATION

- Bachelor's Degree in Engineering, Chulalongkorn University

DIRECTOR TRAINING PROGRAMME

- None

POSITION IN COMPANIES WITH RELATING BUSINESS

- Position in companies with relating business might have a conflict of interest with the Company
None
- Others
None

THE NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES

- Chairman 0 Company
- Director 1 Company

POSITION IN OTHER LISTED COMPANIES

Present

- None

Past

- None

OTHER EXPERIENCE

Present

- None

Past

- Director, Phansrivivat Co., Ltd.
- Director, Phansri Co., Ltd.
- Director, Prachak Vivat Co., Ltd.

Mr. Whang Shang Ying

Detail

Director, Member of Remuneration Committee, Member of Nomination Committee and Authorized Director

Age	63 years	Shareholdings (Ordinary Shares)	
Nationality	Singaporean	• Held personally	None
Number of years as a director	25 years	• Held by spouse or minor children	None
(Date of appointment : 26 April 1999)		Family relation with management	None

EDUCATION

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

DIRECTOR TRAINING PROGRAM

- None

THE NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES

- Chairman 0 Company
- Director 2 Company

POSITION IN OTHER LISTED COMPANIES

Present

- Executive Director, Lam Soon (Thailand) Plc.

Past

- Director, Jurong Cement Limited, a public listed company in Singapore

OTHER EXPERIENCE

Present

- Executive Director, Lam Soon (Thailand) Plc.
- 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

Past

- Member of the Board of Governors, Singapore Polytechnic
- Member of the Advisory Board, Asian Civilizations Museum, Singapore

Ms. Piyathida Sukchan

Detail

Executive Director, Member of Risk Management Committee and Authorized Director

Age 55 years
 Nationality Thai
 Number of years as a director 21 years
 (Date of appointment: 18 June 2003)

Shareholdings (Ordinary Shares)

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

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

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

THE NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES

- Chairman 0 Company
- Director 2 Companies

POSITION IN OTHER LISTED COMPANIES

Present

- Executive Director and Company Secretary, Lam Soon (Thailand) Plc.

Past

- None

OTHER EXPERIENCE

Present

- Director, Lam Soon Holding Co., Ltd.
- Director, Bangkok Edible Oil Co., Ltd.
- Director, Phansrivivat Co., Ltd.
- Director, Phansri Co., Ltd.
- Director, Prachakvivat Co., Ltd.
- Director, Siam Elite Palm Co., Ltd.

Past

- Assistant Vice President for Securities Analysis Dept, Cathay Capital Co., Ltd. Meeting Attendance in 2022

Mr. Ampol Simarojana

Detail

Non-Executive Director and Member of Risk Management Committee

Age	67 years	Shareholdings (Ordinary Shares)	
Nationality	Thai	• Held personally	None
Number of years as a director	6 years	• Held by spouse or minor children	None
(Date of appointment: 20 June 2018)		Family relation with management	None

EDUCATION

- Bachelor of Science (Chemical Engineering), Chulalongkorn University

DIRECTOR TRAINING PROGRAM

- Thai Institute of Director (IOD)
 - Certificate of Completion DCP 37/2003

POSITION IN COMPANIES WITH RELATING BUSINESS

- Position that might have a conflict of interest with the Company.
 - None
- Others

Present

- Non-Executive Director and Operations Consultant, Lam Soon (Thailand) Plc.

THE NUMBER OF DIRECTORSHIPS IN LISTED COMPANIES

- Chairman 0 Company
- Director 2 Companies

POSITION IN OTHER LISTED COMPANIES

Present

- Non-Executive Director and Operations Consultant, Lam Soon (Thailand) Plc.

Past

- Executive Director, Lam Soon (Thailand) Plc.
- Executive Director, United Palm Oil Industry Plc.

OTHER EXPERIENCE

Present

- Director, Siam Elite Palm Co., Ltd.

Past

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

Management

Mr. Supoch Pangjan

Factory Manager Age 47 years

Shareholdings (Ordinary Shares)

- Personally None
- Held by spouse or minor children None

Family relation with management None

Education

- Bachelor of Electrical Engineering, King Mongkut's University of Technology North Bangkok
- Experience
- Mill Manager, Lam Soon (Thailand) PCL. (Trang)

Mr. Thanaphat Bu-ngorsatul

Estate Manager Age 50 years

Shareholdings (Ordinary Shares)

- Personally None
- Held by spouse or minor children None

Family relation with management None

Education

- Bachelor of Science Program in Plant Science, Rajamangala University of Technology Srivijaya Nakhon Si Thammarat Saiyai campus

Experience

- Charoen Pokphand Produce Co.,Ltd (C.P. Group)

Mr. Nattaporn Thawornuttitam

Human Resources and Administration

Age 50 years

Shareholdings (Ordinary Shares)

- Personally None
- Held by spouse or minor children None

Family relation with management None

Education

- Bachelor of Political Science, Prince of Songkhla University

Experience

- Human Resources Manager, Crystal Hotel Hat Yai

Ms. Sirirat Tana-ud

Vice President of Account and Finance

Age 39 years

Shareholdings (Ordinary Shares)

- Personally None
- Held by spouse or minor children None

Family relation with management None

Education

M.A. in Accounting, Chulalongkorn University

Experience

- Accounting & Finance Senior Manager, Thai Wah Public Company Limited
- Assistant Auditor, PwC Thailand

Mr. Wisarn Petsai

Estate Manager Age 60 years

Shareholdings (Ordinary Shares)

- Personally None
- Held by spouse or minor children None

Family relation with management None

Education

- Bachelor of Science (Agriculture), Prince of Songkhla University

Mr. Charan Intharat

Estate Manager Age 61 years

Shareholdings (Ordinary Shares)

- Personally None
- Held by spouse or minor children None

Family relation with management None

Education

- Bachelor of Plant Science, Maejo University

Mrs. Sutida Boonjaroen

Shareholdings (Ordinary Shares)

100 shares (0.00003%)

Held by spouse or minor children

-None-

Family relation with management

-None-

Company secreatry

Age 49 years

Education

Bachelor of Liberal Arts, Thammasat University

Training Program

-None-

POSITION IN OTHER COMPANIES

- **Present**
 - Export Manager, Lam Soon (Thailand) PCL.
- **Past**
 - Export Supervisor, Lam Soon (Thailand) PCL.
 - Secretary, Finance and Accounting Department, Lam Soon (Thailand) PCL

DUTIES AND RESPONSIBILITIE OF COMPANY SECRETARY

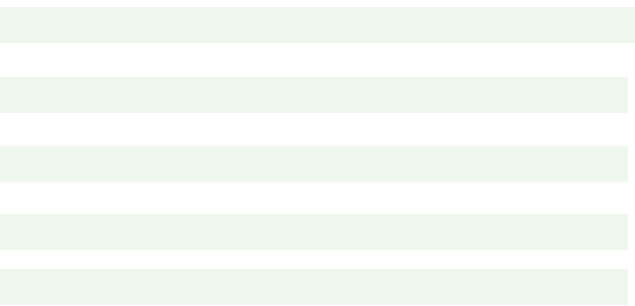
- The Company shall appoint a Company Secretary in accordance to section 89/15 of the Securities and Exchange Act B.E. 2551 with the following duties and responsibilities:
 - To prepare and keep the following documents:
 - a register of directors.
 - a notice calling the Board and shareholders' meetings.
 - a minute of meeting of the Board of Directors and meeting of shareholders.
 - an annual registration statement (Form 56-1 One Report) of the Company
 - To follow-up and ensure implementation of the resolutions of the Board and shareholders' meetings.
 - 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.
 - To advise directors with regard to the 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.
 - To ensure the disclosure of information according to the regulations of the SET, the SEC and other relevant laws.
 - To liaise with relevant regulatory bodies.
 - 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.



Attachment 2

Detail of Directors of Subsidiary



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:

Since the Company's subsidiaries recorded revenue not higher than 10% of total revenue based on consolidated statement of comprehensive income for 2023, those were considered as non-significant subsidiaries according to the announcement of the SEC. Therefore, the Company did not disclose the details of the directors of subsidiaries.

Director's name	Company	Related Company			Subsidiaries			Joint Venture
		LST	UFC	UNF	Phansrivivat Co., Ltd.	Phansri Co., Ltd.	Prachakvivat Co., Ltd.	Siam Elite Palm Co., Ltd.
Mr. Whang Shang Ying	/	//	*	*				
Ms. Anchalee Suebchantasiri	//				/	/	/	*
Ms. Piyathida Sukchan	//	//			/	/	/	//
Mr. Ampol Simarojana	/	/						/

Remark

* is board of director
/ is director
// is executive director

LST : Lam Soon (Thailand) Plc.
UFC : Universal Food Plc.
UNF : Union Frost Co., Ltd.

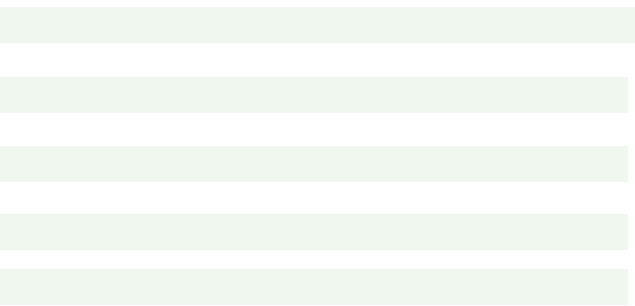




Attachment

Detail of the Head of Internal Audit

3



Mr. Apiruk Ati-anuwat

Internal Auditor

Age 53 years

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)

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

Shareholdings (Ordinary Shares): Held personally and held by spouse or minor children.

None

Family relation with management

None

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

- 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.

Attachment

4

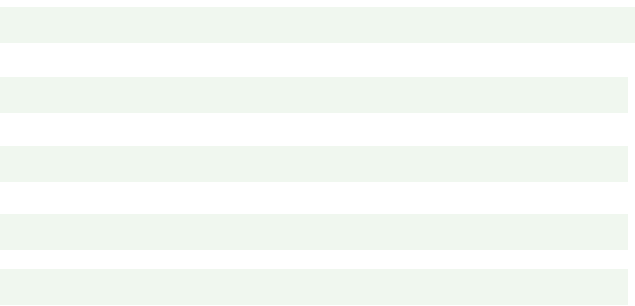
Assest Used in Business Operation and
Detail of Assest Valuations

-No Attached-

Attachment

5

GC Policy, Code of Conduct, and
Charter of Risk Management Committee
and Sustainability Committee



For those interested in of the latest version of the Company's corporate governance policy and code of conduct, the QR codes are provided below.

CG Policy



TH



EN

Code of Conduct



TH



EN

Charter

Risk Management Committee



TH



EN

Sustainability Committee



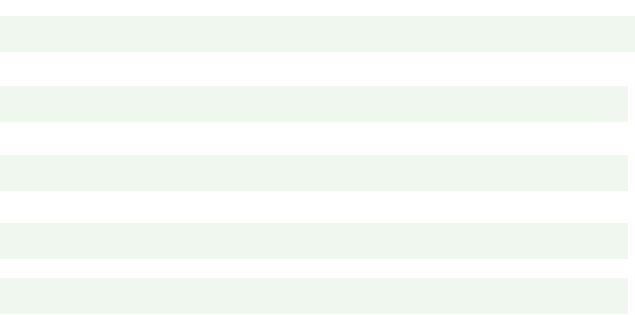
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Attachment 6

The Audit and Corporate Governance Committee Report



Audit and Corporate Governance Report

Audit and Corporate Governance Committee comprises 3 of Independent Directors.

(1) Asso.Prof Naris Chaayasoot, Ph.D.	Independent Director and Chairman
(2) Mr. Anusorn Buranakanonda	Independent Director and Member
(3) Mr. Wasin Patchakapati	Independent Director and Member

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 nine meetings within the year, with substantive agenda as follows:

1. To propose to the Board of Directors the renewal of the service agreement and the appointment of Dr. Virach and Associates as the outsourced internal auditor for one-year term, ending on December 31, 2023, including consideration of the annual audit plan and appropriate remuneration. In addition, the Committee examined the internal audit reports and recommendations regarding the control and risk management as mentioned in the internal audit report on quarterly basis throughout the year 2023, with recommendations 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 cooperate governance and no material control weakness.
2. To approve quarterly financial statements, review annual financial statements and the appropriateness of disclosure of information in Notes to Financial Statements to propose to the Board of Directors. This is to ensure that the financial statements were in accordance with generally accepted accounting principle and the disclosures of information in Notes to Financial Statements were complete and accurate.
3. To conduct the meetings with the management and external auditors on communicating beneficial information related to financial statements preparation to management for their awareness and preparation.
4. To conduct the meetings with management, external auditors, and internal auditors, providing suggestions and practical guidelines for management. The management has subsequently adopted these recommendations to enhance the Company's operational efficiency.
5. To report to the Board of Directors the results of the meetings and all activities undertaken by the Audit and Corporate Governance Committee.
6. To propose to the Board of Directors for the appointment of EY Office Limited to be the statutory auditor of the Company and consideration of appropriate remuneration at the 2023 Annual General Meeting of Shareholders. In 2023, the Company appointed EY Office Limited to conduct an audit of the Company's financial statement and verify BOI projects. The Audit and Cooperate Governance Committee prioritizes the independence of the auditors in the financial statement auditing. Therefore, the Committee reviewed internal working process of the Company to ensure compliance with the established processes. (1) The Audit and Cooperate Governance Committee is responsible for considering and approving the hiring of other services from the EY Office Limited, without delegating authority to the management to proceed independently. In 2023, no other services have been provided by the EY Office Limited, except the services approved by the Audit and Cooperate Governance Committee. (2) The Audit and Cooperate Governance Committee considered the fees for other services to be appropriate. In the year 2023, the proportion of fees for other services to the total remuneration is equal to 15.63 percent.
7. To assess the Committee's own performance through the self-assessment form as a tool for the Company to develop the co-operate governance practices
8. To consider connected transaction with value over 500,000 Baht.

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.

Asso.Prof Naris Chaayasoot, Ph.D.
Chairman of Audit and Corporate Governance Committee
22 February 2024

Attachment

7

Sustainability Performance Disclosure
According to GRI Standard and
Sustainability Reporting Guide
for Listed Companies,
The Stock Exchange of Thailand

Environment Performance

	GRI Standard	Indicators	Page	2021	2022	2023
E1.1C	GRI 103	Environmental management policy and guidelines	40	Announcement on the website		One Report
E1.2C		Number of cases or incidents of legal violations or negative environmental impacts, with explanations of mitigation measures	40	1	2	0
E1.4R		Compliance with international energy management principles and standards	43	The Company complies to the relevant laws and requirements of Roundtable on Sustainable Palm Oil (RSPO).		
E1.5R		Compliance with international water management principles and standards	41			
E1.6R		Compliance with international waste management principles and standards	45			
E1.7R		Compliance with international greenhouse gas management or climate change principles and standards	48			
E2.1C	GRI 302	Energy management plan	43-44	The Company has plans but has not disclosed them to the public.		One Report
E2.2C		Energy consumption (kWh)	43	7,653,727	7,453,362	7,222,303
E2.3C		Renewable energy consumption (kWh)	43	5,666,032	6,653,154	6,098,356
E2.4R		Energy management target	-	1) Decrease the amount of electricity per unit at least 5 % per year 2) Utilize more than 90% of renewable energy instead of purchasing from outsider providers		
E2.5R		Energy intensity (kWh /FFB)	43	27.55	27.97	33.94
E3.1C	GRI 303	Water management plan	41-42	The Company has plans but has not disclosed them to the public.		One Report
E3.2C		Volume of water consumption (m ³ /year)	41	304,315	279,794	278,329
E3.3R		Water use target	-	Reduce water intensity at least 5% per year		
E3.4R		Water Intensity	41	1.22	1.05	1.31
E3.5R		Percentage of wastewater treated before discharge	-	100	100	100
บริษัท		Wastewater undergone Biogas (m ³ /year)	41	100,635	85,845	106,395
E4.1C	GRI 306	Waste management plan	44-47	The Company has plans but has not disclosed them to the public.		One Report
E4.2C		Volume of waste generated (ton)	-	194,851.15	184,824.26	188,261.42
E4.3R		Waste management target	-	Utilize and make profits of all waste generated.		
E4.4R		Volume of waste that is reused and/or recycled (ton)	-	122,605.92	130,321.62	172,779.86
E5.1C	GRI 305	Greenhouse gas management plan	48-49	N/A	N/A	One Report
E5.2C		Scope 1 and 2 greenhouse gas emissions	-	23,689.30 tCO ₂ eq	20,181tCO ₂ eq	17,160.33tCO ₂ eq
E5.3C		External verification of greenhouse gas emissions data	-	No external verification from verification agencies. The data calculated according to Palm GHG Calculator/RSPO Program		
E5.4R		Greenhouse gas reduction target	-	0	0	0
E5.5R		Total greenhouse gas emissions (Scopes 1, 2 and 3)	-	No action has been taken		
E5.6R		Carbon intensity	-	The calculation of greenhouse gas emissions is performed using the Palm GHG Calculator program, but it has not been reviewed by the designated reviewing unit.		

Social Performance

	GRI Standard	Indicators	Page	2021	2022	2023
S1.1C	GRI 412	Human rights policy and guidelines	62	Announcement on the website		One Report
S1.2R		Human rights due diligence (HRDD) and protection measures	-	Complies to the requirements of Roundtable on Sustainable Palm Oil (RSPO).		
S1.3R		Number of cases of human rights violations	62	0	0	0
S1.3R		Remediation and mitigation measures	-	Announcement on the website		
S2.1C	GRI 401	Total number of employees	-	277	272	284
		Employees by age group				
		-Below 30 years old	-	F 9 : M 16	F 8 : M 24	F 10 : M 35
		-30-50 years old		F 58 : M 128	F 54 : M 118	F 55 : M 126
		-Over 50 years old		F 12 : M 54	F 12 : M 56	F 11 : M 47
		Employees by level				
		-Staff level	-	F 76 : M 193	F 71 : M 193	F 73 : M 201
		- Management level		F 2 : M 5	F 2 : M 5	F 2 : M 7
		-Senior management level		F 1 : M 0	F 1 : M 0	F 1 : M 0
		Employees by location				
		- Bangkok	-	F 1 : M 0	F 2 : M 0	F 3 : M 1
		- Northern region		F 0 : M 0	F 0 : M 0	F 0 : M 0
		-Central region		F 3 : M 1	F 3 : M 2	F 2 : M 2
		- East region		F 1 : M 0	F 0 : M 0	F 0 : M 0
		-Southern region		F 64 : M 183	F 57 : M 181	F 64 : M 190
		-Eastern region		F 1 : M 0	F 1 : M 0	F 1 : M 0
		- Northeast region		F 9 : M 14	F 10 : M 16	F 6 : M 15
S2.2C	GRI 405	Number of employees with disabilities	-	5	5	5
S2.3C		Total employee compensation	59	78.1	76.6	73.7
S2.4C		Percentage of employees enrolled in provident funds	121	100	100	100
S2.5R		Gender pay gap	59	Data is being collected, but there is no disclosure.		1:1.1
S2.6C	GRI 404	Employee development plans	61	Yes	Yes	Yes
S2.7C		Average hours of employee training	61	3.15	13.14	19.87
S2.8R		Employee development plans are part of annual employee performance evaluations	61	The company does not have a plan to guide employee development for use in assessing employee performance.		Yes
S2.9R		Employee development target	61	>3 (Covid19)	>13	>15
S2.10R		Employee development spending	-	20,413	219,148	602,760.33
S2.11R		Benefits of employee development to employees and/or the organization	61	There is no disclosure of information.	One Report p. 99-100	One Report

	GRI Standard	Indicators	Page	2021	2022	2023
S2.12C	GRI 403	Occupational safety, health and environment improvement plans or activities	57-58	The Company has plans but has not disclosed them to the public.		One report
S2.13C		Number of incidents or injuries leading to lost work time	57	3	6	6
S2.14C		Occupational safety target	57	0	0	0
S2.15R		Lost Time Injury Frequency Rate (LTIFR)	57	0.92	1.86	1.77
S2.16C	GRI 402 GRI 407	Employee engagement and retention plan	-	The company does not have a plan in place.		Commencing operations.
S2.17C		Percentage of voluntary employee turnover	59	5.78	13.97	3.92
S2.18C		Number of significant labor disputes, and remediation measures	53	0	0	0
S2.19R		Employee engagement and retention targets	-	The company does not establish goals or evaluate employee commitment to the organization.		85%
S2.20R		Employee engagement survey results	-			74.90%
S3.1C	GRI 418	Consumer data protection policy and guidelines	-	Code of conduct (1st edition) p. 16		Code of conduct p. 19
S3.2C		Number of incidents of consumer data breaches	74	0	0	0
S3.2C		Number of incidents or complaints relating to consumer rights violations, and remediation measures	74	0	0	0
S3.3C		Grievance channels for customers/consumers	74	Code of conduct (1st edition) p. 6-7		Tel/e-mail
S3.5R		Customer satisfaction improvement plan	74-75	The company operates but does not disclose information to the public.		Online platform
S3.6R		Customer satisfaction improvement target	74-75	Score>95%	Score>95%	Score>95%
S3.7R		Customer satisfaction survey results	-	91%	96.31%	96.61%
S4.1C	GRI 413	Policy on developing and engaging with communities/societies affected by the business	54-56	The company operates but does not disclose information to the public.	One Report p. 58-60	One Report
S4.2C		Plans to support the development and engagement of communities/societies affected by the business	54-56		One Report p. 58-60	One Report
S4.3R		Number of conflicts with communities/societies, and remediation measures	54		0	0
S4.4R		Target for developing and engaging with communities/societies affected by the business	54	0	0	0
S4.5R		Benefits of development projects or activities to communities/societies	54	The company operates but does not disclose information to the public.	One Report p. 58-60	One Report
S4.6R		Total financial contribution to community/social development projects or activities	-		264,000 ₺	834,192 ₺

Governance Performance

	GRI Standard	Indicators	Page	2021	2022	2023
G1.1C	GRI 2-9	Profiles of individual directors	141-148	One Report p. 78-84	One Report p. 101-106	One Report
G1.2C		Number of board members	111	7	7	7
G1.3C		Number of independent directors	109	3	3	3
G1.4C		Number of non-executive directors	109	1	1	1
G1.5C		Number of female directors	109	2	2	2
G1.6C		Independent chairman of the board	142	Yes	Yes	Yes
G1.7C		Separation of the roles of chairman and MD	-	Yes	Yes	Yes
G1.8C		Number of independent directors in each sub-committee				
		Audit and corporate governance committee	119	3	3	3
		Remuneration committee	119	3	3	3
		Nomination committee	119	3	3	3
		Risk management committee	119	0	0	0
		Sustainability committee	119	0	0	0
G1.9C		Independent chairman of each sub-committee	119	One Report p. 72	One Report p. 95	One Report
G1.10C		Number of years of tenure for individual directors				
		Assoc.Prof Naris Chaiyasoot, Ph.D.	142	Appointed on 23 April, 2021	1	2
		Ms. Anchalee Suebchantasiri	143	18	19	20
	Mr. Sangiam Santad	-	9	10	Term ended on April 7, 2023	
	Mr. Anusorn Buranakanonda	144	-	-	Appointed on 7 April, 2023	
	Mr. Wasin Patchakapati	145	5	6	7	
	Mr. Whang Shang Ying	146	22	23	24	
	Ms. Piyathida Sukchan	147	18	19	20	
	Mr. Ampol Simarojana	148	3	4	5	
	G1.11C	GRI 2-12, 2-14	Number of board meetings	127	10	9
G1.12C	Board performance		132-134	One Report p. 89-93	One Report p. 112-116	One Report
G1.13C	Number of audit and corporate governance committee meetings		127	6	10	9
G1.14C	Audit and corporate governance committee performance		123-134	One Report p. 104-107	One Report p. 127-130	One Report

	GRI Standard	Indicators	Page	2021	2022	2023
G1.15C	GRI 2-12, 2-14	Number of subcommittee meetings				
		Audit and corporate governance committee	132	6	10	9
		Remuneration committee	133	2	2	3
		Nomination committee	133	2	2	3
		Risk management committee	134	4	4	3
		Sustainability committee	134	There is no appointment of a sustainability committee.		1
G1.16C		Performance of each sub-committee				
		Remuneration committee	133	One Report p. 109-110	One Report p. 132-133	One Report
		Nomination committee	133	One Report p. 107-108	One Report p. 130-132	One Report
		Risk management committee	134	One Report p. 110-112	One Report p. 133-138	One Report
		Sustainability committee	134	The company appointed a sustainability committee in the year 2023		One Report
G1.17R		Succession plan implementation	133	One Report p. 59	One Report p. 81-82	One Report
G1.18C	GRI 2-10	Policy and criteria for recruiting directors with qualifications that align with organizational strategy	99	One Report p. 58,74	One Report p. 80,97	One Report
G1.19C		Analysis of directors' skills and experience according to business needs (board skill matrix)	110	The company began implementing the Board skill matrix in the year 2023.		One Report
G1.20C		Profiles of newly appointed directors	144	No new director appointed.		One Report
G1.21C	GRI 2-19	Policy and criteria for director remuneration	99	One Report p. 58,99	One Report p. 80,122	One Report
G1.22C		Director remuneration by individual	128	One Report p. 101	One Report p. 124	One Report
G1.23C		Other non-financial compensation for directors	128	One Report p. 100	One Report p. 122-123	One Report
G1.24C		Policy and criteria for senior executive remuneration	120	One Report p. 100	One Report หน้า123	One Report
G1.25C		Total remuneration for executives (Million Baht)	120	17.9	17.6	One Report
G1.26R		Other compensation and long-term benefits for senior executives	120	One Report p. 100	One Report p. 123	One Report
G1.27C	GRI 2-17	Director development policy	100	The company began implementing the director development policy in the year 2023.		One Report
G1.28R		Results of individual director development	126	One Report p. 96	One Report p. 119	One Report
G1.29C	GRI 2-18	Criteria for evaluating board performance	69-70	One Report p. 97-98	One Report p. 120-121	One Report
G1.30C		Board performance results by committee	70	91.88	88.81	One Report

	GRI Standard	Indicators	Page	2021	2022	2023
G1.31C	GRI 2-18	Board performance results by each sub-committee	-	92.21	91.47	94.36
		<i>Audit Committee</i>	70	96.94	96.43	98.81
		<i>Remuneration Committee</i>	70	92.86	94.64	93.75
		<i>Nomination Committee</i>	70	87.50	87.50	92.71
		<i>Corporate Governance Committee</i>	70	91.07	85.71	90.83
		<i>Risk management Committee</i>	70	82.14	82.86	87.14
		<i>Sustainability Committee</i>	70	The company started appointing a sustainability committee in August 2023, so there was no evaluation process conducted.		
G1.32R		Individual director performance results	70	94.16	91.23	90.91
G1.33R		Performance evaluation criteria for the managing director	100	One Report p. 59-60	One Report p. 82	One report
G1.34R	GRI 2-26	Code of conduct	-	Announcement on the website		
		Anti-corruption policy and guidelines				
G1.35C		<i>Policy</i>	-	Code of Conduct, R.01 p. 28-29		CG code p. 25-26
		<i>Guideline</i>	-	Code of Conduct, R.01 p. 29-31		CG code p. 27-28
G1.36C		Number of code of conduct violations or incidents of corruption	73	0	0	0
G1.37C		Grievance and whistleblowing policy and guidelines	131	Code of Conduct, R.01 p. 6-9		Code of Conduct p. 4-6 and One Report
G1.38R		Measures to prevent code of conduct violations	96	Code of Conduct, R.01 p. 5		Code of Conduct p. 3 and One Report
G2.1C	GRI 1	Sustainability policy and targets at the organization level	40,53,65	Announcement on the website		One report
G2.2C		Material sustainability topics	36	No material sustainability assessing.	One Report p. 43	One report
G2.3R		Sustainability report	29-77	One Report p. 33-42	One Report p. 35-63	SET Sustainability Reporting Guide
G2.4R		Sustainability performance disclosure standards, e.g., GRI Standards	-	The company has not yet established a procedure for compiling the aforementioned information.		One report
G3.1C	N/A	Sustainability risk management policy and guidelines	-			N/A
G3.2C		ESG risks and opportunities	27			One report
G3.3C		Emerging risks	27			One report
G3.4C		Business continuity plans (BCP)	71			One report
G3.5R		Standards on sustainability risk management	27			One report

	GRI Standard	Indicators	Page	2021	2022	2023
G4.1C	GRI 308 GRI 414	Sustainable supply chain management policy and guidelines	66-67	There are codes of conduct, but there is no disclosure of information.	One Report p. 63	One report
G4.2C		Sustainable supply chain management plan	66-67	There are codes of conduct, but there is no disclosure of information.		One report
G4.3R		Percentage of new suppliers undergoing sustainability screening criteria	66	100	100	100
G4.2R		Supplier Code of Conduct	-	There is still no procedure for creating a code of conduct for supplier.		
G4.5R		Percentage of suppliers acknowledging the Supplier Code of Conduct	-	There is still no procedure for creating a code of conduct for supplier.		
G5.1C	N/A	Innovation development policy and guidelines at the organization level	-	There are internal practice, but there is no disclosure to external parties.		CG code p. 24
G5.2C		Process to develop and promote an innovation culture	-	There are internal process, but there is no disclosure to external parties.		CG code p. 24
G5.3C		Spending on innovation research & development	12	There is a process for collecting information, but there is no process for disclosing it externally.		One report
G5.4R		Benefits received from innovation development	12	There is a process for collecting information, but there is no process for disclosing it externally.		One Report

