

ANNUAL REPORT 2024

Form 56-1 One Report *



* The Annual Registration Statrment

บริษัท วโรปกรณ์ จำกัด (มหาชน)
VAROPAKORN PUBLIC COMPANY LIMITED

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The Board of Directors' Report

The business has adopted a rigorous adaptation strategy in 2024, focusing on cost reduction and improved production and customer service efficiency, as well as systematic risk management and sustainably operating the business under a robust regulatory framework, despite the ongoing global economic changes brought on by the impact of international events and market volatility.

The business's efforts were put to the test in 2024 by a number of obstacles, but it still performed better, with sales revenue rising to 2,970 million baht, an 18.37% increase from the year before. This was due to the expansion of foreign markets, particularly the foreign export market, which saw a sharp rise in purchase orders as a result of favorable factors like increased purchasing power in Asia, which raised demand for luxury goods. The business was also able to make extra money from other sources, like exchange rate gains and the sale of other assets, which increased its overall revenue to 3,028 million baht. Additionally, the company's net profit of 130.43 million baht was the consequence of better control over expenses.

As of the end of 2024, total assets increased from 2,099 million baht in 2023 to 2,506 million baht, with a total asset increase of 407 million baht. This was due to increased trade and other receivables, as well as increased inventories, which supported higher sales this year. These two parts were divided into assets that increased from increased receivables by 146 million baht and inventories by 146 million baht. As for liabilities, they increased slightly, mostly from trust receipts, which was consistent with the increased volume of raw materials. However, total liabilities increased only slightly from the previous year, increasing to 1,604 million baht compared to 1,327 in the previous year. Overall, the company's liquidity was satisfactory.

For 2024, it was a challenging year with various situations that tested the efforts and determination of the executives. And the employees who have to work together to overcome this challenge. The demand for products in the domestic market is stable, as can be seen from the purchase orders that are close to the previous year. Increasing domestic sales is still difficult because it has to compete on price with products imported from China, as well as the domestic economy, which is quite sluggish, with purchasing power declining and consumers focusing more on saving than spending. As a result, the company still has to focus on export markets abroad, which can generate more profit. In addition, price competition is not as fierce as in the domestic market. However, the company still has to improve the production process to maximize production efficiency and reduce costs to continuously compete in the market.

The board of directors is satisfied that the company has been able to change its operating methods to respond to market demands in the globalization era, demonstrating satisfactory business development and progress, both in terms of developing value-added products and expanding the customer base both domestically and internationally. The improved operating results in 2024 are evidence of determination and effective management, which are important foundations for building confidence among shareholders and all stakeholders.

The board of directors I would like to thank the shareholders business partners All customers, as well as customers, creditors, and all stakeholders who support and trust in our operations. and the business of the company is always good and behind all the success of the company. Especially the management team and employees of the company who cooperate and are dedicated to performing their duties to the best of their abilities to push the company to move forward according to the company's mission and operational plan, the company will try to realize its vision, mission, and strive to manage its operations with ethics, transparency, and responsibility. and lead the organization to its goals under the principles of ethics and the framework of good corporate governance for the maximum benefit of all stakeholders in a sustainable manner.

Part 1**Business Operations and Performance****1. Structure and Operations of the Group****1.1 Policy and business overview**

The Company started its business in Aluminium industry in 1979 by listing the Company's ordinary shares on the Stock Exchange of Thailand since June 16, 1991 and converted to a public company limited on January 26, 1994. At the end of 1995, there were companies in the Mitsubishi group consisting of Mitsubishi Aluminium Co., Ltd. and Mitsubishi Corporation (MC) from Japan, and Thai-MC Co., Ltd. joined the company by acquiring shares is 20 % of the registered capital. The objective is to expand the production line to produce precoated Aluminium products (Precoated Finstock) that will require special technology in the production of which the Mitsubishi Group is a well-known company. There are technologies and production methods that are internationally accepted. During 2001 and 2002, Thai-MC Co., Ltd., and MC transferred all their shares to MC Non-Ferrous Metal Products Co., Ltd., a company in the Mitsubishi group as well. Later in 2008, MC returned to hold shares in this part and subsequently transferred all shares to Mitsubishi Corporation Unimetals Ltd. In 2013, all shares were transferred to Mitsubishi Corporation Rtm Japan Ltd., a company in the Mitsubishi group as well. In December 2006, the Company entered into a technical assistance contract. and distributor appointment agreement with Mitsubishi Aluminium Co., Ltd., and Mitsubishi Group, focusing on the production of Aluminium heat exchangers which is a new product in the automotive industry. Subsequently, in December 2016, the Company agreed to extend the term of the two contracts for a period of 3 months after the date of December 26, 2016, or until the new contracts come into force, whichever comes early. On January 27, 2017, the Company entered into a new technical assistance agreement and a new distributor agreement for a period of 5 years (expired on January 26, 2022) and entered into a new distributor agreement with MALC Thai Co., Ltd on January 27, 2022 contract period year per year. Later in late March 2022, Mitsubishi Corporation Rtm Japan Ltd. transferred all of its shares to Thai Metal Works Co., Ltd. which is the major shareholder of the Company, while Mitsubishi Aluminium Co., Ltd. transferred all of its shares to Showa Aluminium Can Corporation and subsequently transferred to MA Aluminium Corporation owned by Showa Aluminium Can Corporation, now renamed to Altemira Co., Ltd.

However, although Mitsubishi Aluminium Co., Ltd., which is a major shareholder of the Company will operate the same business as the Company It may be seen as causing a conflict of interest, but because both Mitsubishi Aluminium Co., Ltd. and the Company have different target customers and distribution channels. In the past, the Company and Mitsubishi Aluminium Co., Ltd. have never had any conflicts of interest.

1.1.1 Vision, Objectives, Goals or Strategies

The Company has a policy to conduct business with social responsibility, anti corruption by adhering to the principles of transparent, verifiable, ethical business practices, respect for human rights and interests of stakeholders under the policy of quality standards, prompt service, care for the environment with energy conservation

Vision

To be the leader in producing high-quality flat Aluminium coils & sheets by using technology and innovation in order to achieve the highest satisfaction for customers.

Mission

- Research and develop new quality products and continually create added business value.
- Focus on modern production processes and care for the environment.
- Focus on personnel development and promotion of personnel quality of life.
- Develop a clear management system and streamlined working methods.
- Strive to develop superior service to create maximum customer satisfaction.
- Build relationships with society, customers, shareholders, employees and business partners By relying on mutual trust and respect.

Core Value

TO BE GREAT

Improvement Continuity

Outcome Oriented

Morality and Ethical

Flexibility

Awareness to Worthiness

Corporate / Company Strategic Objectives

- 1) Expanding the customer base to cover all areas throughout the country and abroad increased
- 2) Develop new products to meet the needs to keep up with the business competition
- 3) Improve and develop production efficiency to be up to date by using more technology.
- 4) Upgrade the management of the organization and develop personnel at all levels to become professional
- 5) Focus on doing business regarding customer satisfaction. as well as being able to deliver the work to customers on time.

Corporate GOAL

The goal of the company's business is to be one of the leaders in Aluminium sheet and coil manufacturing.

Varopakorn Public Company Limited's factories are equipped to meet the most demanding quality requirements and are ISO 9001, JIS H 4000 and IS 15392: 2003 certified for the latest technology in daily operations. The company is the first manufacturer of Aluminium rolled products to receive prestigious certification in Thailand. This has led to huge improvements which should be considered an important step in encouraging customers to be assured of standard quality products with fast and on-time delivery. This has resulted in a wider acceptance of our products and increased orders. The key to the success of these initiatives is the commitment of all employees throughout the organization to support continuous and ongoing improvement initiatives to improve all aspects of the company's performance and achieve dimensional progress in all aspects

Varopakorn Public Company Limited is one of the modernized manufacturers and distributors of Aluminium rolled products in Thailand that uses advanced technology in continuous casting. The company started commercial production of Aluminium rolled and sheet products at a modernized factory in Samut Prakan in 1979 after being listed on the Stock Exchange of Thailand in 1991, it transformed into a public limited company in 1994 the company has grown exponentially over the past two decades. The company has been recognized for its growth and modernity, our Aluminium products have been developed to a wider range of quality standards such as Bare Finstock, Precoated Finstock, Capstocks, Foil, Coil, Sheet, and Automotive Fin.

Aluminium is the most abundant metal in the world, accounting for about eight percent of the Earth's crust. Aluminium has properties that make it one of the most versatile materials in the world. It is lightweight, strong, corrosion-resistant, and durable. It can be done accurately and cost-effectively with a variety of techniques. Aluminium withstands both heat and cold and is easy to disinfect. It is an excellent barrier against liquids, vapors, and light. It is non-toxic and tasteless or odorless. It has a wide range of industrial and consumer applications. Aluminium sheets are used in building, transportation products, household appliances, electrical and electronic equipment, and printing. heat sink but has found its greatest use in containers and packaging of foods, snacks, and medicines, for many years Aluminium foil has helped humans feel comfortable and healthy, easy to sterilize for medical applications, Aluminium foil remains the best packaging for food products. Therefore, we can say that the applications in the packaging are almost limitless. Moreover, anything made of Aluminium can be recycled, not only cans but also, Aluminium foil, plates, satellite dishes, and TV antennas, Aluminium is 100% recyclable. The 40th century will see the results of this admirable product development, improvements in Aluminium metallurgy, quality, and a final promise to revolutionize the properties of this product. The Aluminium era is upon us.

1.1.2 Major changes and developments

In 2024, the company will continue to focus on exports more than the domestic market because the domestic market is still being hit by a price war from imported products from abroad. Therefore, the company will continue to focus on marketing in countries that are the original customer base of the previous year but will focus on increasing the volume of purchase orders, especially purchase orders for coated and uncoated aluminium finstock from India, which have seen a significant increase in purchase orders, including the European market, which is also showing an increasing trend.

In 2024, the company faced various situations that challenged the cooperation of its executives and employees, especially the economic situation from abroad, which affected the company's marketing, such as the highly volatile LME price, coupled with the baht strengthening in the third and fourth quarters, which required caution in both purchasing raw materials to produce products, and the sales side had to be careful of customers cancelling purchase orders due to fluctuating raw material prices, which is considered a high-risk situation. The management team and employees must work with extreme caution.

In addition to the economic situation, the company also faced non-tariff trade barriers from both Europe and Asia due to each country currently emphasizing the environment and sustainability. The European market has therefore issued CBAM (Carbon Border Adjustment Mechanism) measures, in which the products the company sells are under control. Due to the high risk of carbon emissions, the company must report both direct and indirect carbon dioxide emissions, which is a new matter and there are no experts to provide information on such reporting. Therefore, the company has to spend time studying and recruiting experts to provide advice on such reporting. In addition, in the domestic market, many business partners have started to ask about the amount of carbon dioxide emissions at the organization and product levels. The company's carbon footprint case may not be sufficient. Therefore, the company has a guideline to establish a standard for measuring and reporting greenhouse gas emissions of organizations (ISO 14064) and a standard for checking carbon footprints that arise from the life cycle of products per unit (ISO 14067) to support marketing shortly. In addition to the European market that emphasizes green markets, the Asian market, which is the company's main market, has sent signals to the company to establish import standards for aluminium finstock products to be imported into that country. The company is currently in the process.

In addition, in the fourth quarter of 2024, the Chinese government announced export tariffs and the cancellation of aluminium support, which affected the price of aluminium products from China which is the company's main competitor. This

announcement affected the price of aluminium products exported from China, which is expected to increase, which will be positive for the company due to customers who buy products from China may reconsider the company's products, as can be seen from the increasing inquiries about technical specifications. Therefore, the company must continue to closely monitor the price situation of Chinese products because it will affect the company's product orders.

From the various challenging situations that are negative factors that the company must monitor and prepare for from 2024 to 2025, there are still positive factors that support the company to be able to expand the market more, such as the situation of Mid-west Premium in America, which has adjusted very high compared to Premium (MJP) in Asia, which will be a higher cost for entrepreneurs in America. The company's products are an alternative to reduce product costs, even though there is a policy to adjust import taxes on products in America. In addition, the company has a strong business partner, which is an American company with a customer base and a good network in America. The European market has more purchase orders and can adjust prices higher, resulting in higher profits per unit. In the Asian region, there is a significant increase in demand for air conditioners, which is a positive factor for the company to expand the market. As for the domestic market, we still have to wait and see the direction of products imported from China. Will the factor of the cancellation of subsidies by the Chinese government for aluminium exporters cause prices from China to increase? If the price of imported products from China increases, it is an opportunity for the company to reclaim the lost market share in the country.

From the aforementioned situations, which have a positive trend in every region, the volume of purchase orders from Asia and Europe is expected to grow more, including the announcement of the cancellation of subsidies for aluminium exports by the Chinese government. This will increase the price of Chinese aluminium products, which will make customers more interested in the company's products. However, the company's production capacity is limited, especially for coated aluminium finstock products, which are flagship products and have a growth trend. However, due to limitations in machinery, it is unable to accept all orders. Therefore, the company must plan to improve machinery to increase production capacity and work at full efficiency, including considering installing additional machinery to support future orders.

Revenue	2024		2023		2022	
Thailand	1,149	38.66%	1,125	44.82%	1,452	38.67%
Asia	1,602	53.90%	1,143	45.54%	1,097	29.21%
Oceania	35	1.18%	46	1.83%	89	2.37%
America	60	2.02%	118	4.70%	1,045	27.83%
Europe	126	4.24%	78	3.11%	72	1.92%
Total	2,971	100.00%	2,510	100.00%	3,755	100.00%
Thailand	1,149	38.66%	1,125	44.82%	1,452	38.67%
Export	1,823	61.34%	1,385	55.18%	2,303	61.33%
Total	2,971	100.00%	2,510	100.00%	3,755	100.00%

1.1.3 The company has not raised any funds; therefore, there is no use of the funds raised as stated in the Securities Offering Information Form.

1.1.4 The company has not raised any funds; therefore, there is no commitment as stated in the Securities Offering Information Form.

1.1.5 Name, location of head office, type of business, company registration number, telephone, fax, company website (if any), number and type of total outstanding shares of the company.

Name	Varopakorn Public Company Limited
Company registration number	0107537000238 (Formerly No. Bor Jor. 270)
Office	181 Soi Amorn, Nanglinchee Rd., Chong Nonsi, Yannawa, Bangkok 10120 Telephone 02-2132514 Fax 02-287 2031 Home page: http://www.varopakorn.com E-mail : admin@varo.thai.com
Factory	280 (Formerly 274) Moo 4, Sukhumvit Road, Km. 41.5, Bang Pu Mai, Mueang Samut Prakan, Samut Prakan Province 10280 Telephone 02-323-1684 Fax 02-323-9635
Business Type	The Company's main business is the Aluminium industry by manufacturing and distributing various types of semi-finished Aluminium products in sheets and coils for sale to other manufacturers which will be used to produce products or as a component in the production of other types of products further, which has been certified ISO 9001: 2015, ISO 14001: 2015, , JIS H 4000 and IS 15392: 2003. Currently, the company is considered a manufacturer of Aluminium products that have been widely accepted by customers. Most of the customers are operators at the end production line, different types of factories, which have both domestic customers and foreign companies located in Thailand which is a manufacturer for export (Export zone), and foreign customers directly. The company has main distribution channels by the company's sales staff and through distributors. The company does not have a parent company, subsidiary company, and associated company according to the SEC announcement or holds shares in a juristic person of 10 percent or more.
Established	February 21, 1979
Listed on the Stock Exchange of Thailand	29 July 1991
Registered capital	500 million baht, 5 baht per share
Number of paid-up ordinary shares	99,902,123 shares
Paid-up capital	499,510,615 baht

1.2 Nature of business

The Company's main business is the Aluminium industry by manufacturing and distributing various types of semi-finished Aluminium products in sheets and coils for sale to other manufacturers. which will be used to produce products or as a component in the production of other types of products further, which has been certified ISO 9001: 2015, ISO 14001: 2015, , JIS H 4000 and IS 15392: 2003. The company has no parent company, subsidiary, and associated company.

1.2.1 Revenue structure

The Company operates in a single business segment and operates in Thailand only but has the following main product groups:

Products	Y2024		Y2023		Y2022	
	Revenue		Revenue		Revenue	
	Million baht	%	Million baht	%	Million baht	%
Sheet Product	227.22	7.65%	184.13	7.34%	137.87	3.67
Rolled Product	2,715.76	91.42%	2,307.72	91.95%	3,593.38	95.70
Other Product	27.73	0.93	17.91	0.71	23.50	0.63
Total Sales	2,970.71	100%	2,509.76	100%	3,754.75	100.00
Other Income	58.13		14.59		8.08	
Total Revenues	3,028.84		2,524.35		3,762.83	

1.2.2 Product Information

(1) Product characteristics and business innovation development

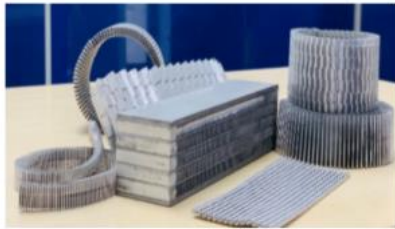
Characteristics of the different types of products of the company are:

(1.1) SHEET PRODUCT consists of

- Aluminium sheet cut to customer requirements (CUT TO LENGTH) is an Aluminium sheet that will be produced according to the alloy, width, and thickness, and cut the length according to the size specified by the customer. The production is made to order for each customer (Made to order). This type of Aluminium sheet is used as a raw material in various products such as a composite sheet used in building construction. It is a composite sheet used in electrical appliances. It is a composite sheet used to make heat shields for automobiles and general buildings. It is a sheet used for making screw caps. Used in the circuit board industry, etc.
- Pre-cut Aluminium sheet for making beverage caps (Cap Stock)

(1.2) ROLLED PRODUCT consists of

- ALUMINIUM BARE FINSTOCKS are used as components for heat exchangers in the production of air conditioners, freezers, refrigerators, etc.
- ALUMINIUM PRECOATED FINSTOCKS is also used to make heat exchangers by applying ALUMINIUM BARE FINSTOCKS to a chemical coating that has anti-corrosion properties, including adding properties to prevent water droplets from sticking which helps to ventilate well, save energy and prolong service life. can make water droplets do not stick to help good ventilation. energy saving and prolong the service life.
- FINSTOCKS FOR AUTOMOTIVE is a special grade of Aluminium to produce automotive radiators, other heat exchangers in the automotive such as condensers, intercoolers, evaporator.
- ALUMINIUM FOILS is thin rolled, the thickness ranges from 0.007 mm. to 0.10 mm. which can be used as raw materials in a variety of industries such as the food industry, packaging industry, pharmaceutical industry, etc.
- ALUMINIUM COILS there are various grades, thicknesses and widths according to customer requirements. Some customers may cut them into sheets, strips, or strips to produce into other customers' Aluminium products.



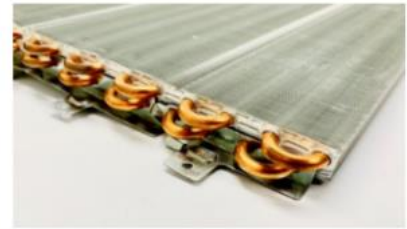
Automotive Finstock

Automotive Finstocks are used for the manufacturing of radiator fins, intercoolers, condensers and evaporator units in the automotive industry.



Precoated Finstock

Precoated Finstocks are aluminium finstocks coated with chemicals to prevent water formation. This type of finstock provides better ventilation, saves energy, is more durable and can better withstand corrosion.



Bare Finstock

Bare Finstocks are used to produce screens for heat ventilation in air conditioners. This product is used in the manufacturing of precoated finstocks.



Capstocks

Closure Cap (Cap – stocks) are produced with high-strength aluminium sheets specifically for the fabrication of pilfer-proof caps for energy drinks, electrolyte beverages, liquid medicines, whisky cap, etc.



Foil

Foils are thin aluminium coils with thickness between 0.10-0.007 mm., used mainly as raw material in the construction industry.



Aluminium Sheet & Coil

Aluminium sheets & Coils are used in the manufacturing of various products such as satellite dishes, traffic signs, plate eyelets and rolled bonds which are used in the production of freezers for refrigerators.

Investment promotion certificate from the Board of Investment (BOI)

For promotional privileges from the Board of Investment under the Investment Promotion Act 2520 pursuant to the Promotion certificate No.61-0139-1-00-1-0 dated February 6, 2018. Activities 2.15 rolling, drawing, casting or forging of non-ferrous metals for the manufacture of Aluminium sheet and Aluminium coil. Production capacity of approximately 16,000 tons per year. Privileges will be granted (since January 3, 2018, the date of the Board approves the promotion) as follow: -

- Exemption of import duty on machinery approved by the Board.
- Exemption of corporate income tax on from such promoted operations, totaling not exceeding 100% of the investments (258 million Baht). Excluding cost of land and working capital for a period of three years from the start of revenue of the promotion.
- Exemption from dividends from promoted businesses which are exempted from corporate income tax for the purpose of income tax exemption for the period during which the promoted person is exempt from corporate income tax.
- Exemption of import duty on raw and essential materials imported from abroad for use in the production for export for a period of one year from the date of first import.

In this regard, the company has informed of commenced operation on February 6, 2024 according to the extended period for opening already.

Product development to increase market opportunities

In 2024, the company will continue to rely on its strengths in developing and improving products to meet customer needs, especially coated aluminium fin-stock products, which are still its flagship products and have a continuous demand for colour and property development from overseas customers, including Aluminium sheet products for producing beverage bottle caps, which the company can develop to meet the diverse needs of customers.

For 2025, the company will maintain the proportion of products similar to 2024 but will adjust the proportion of products in the part of products that the company can still support production more, which are mostly products that the company can develop. However, the company will continue to focus on products that the company is skilled in and can offer better prices. The company has a plan to expand the market to the Americas and Europe by joining forces with partners in each region to increase the market base more than before.

(2) Marketing and Competition**(a) Policies and marketing characteristics of important products or services****1) Marketing Strategy**

1. In 2025, the company focuses on building an image as a company with expertise and is a market leader in Aluminium in both coils and sheets, producing quality, reliable products and implementing various environmental standards that are international standards to support growth and market expansion abroad to create credibility and acceptance for foreign customers. The company will develop, improve, and change new marketing communication channels to reach more target groups because the company sees that a credible image and product quality standards are important to gain acceptance and create more opportunities to expand the market abroad.

2. Distribution channels are what the company will focus on in 2025 because the company aims to expand its export market. However, due to limitations in human resources and expertise in export marketing in each region, the company plans to seek more partners or distributors in each region. The company will consider the strengths of partners or representatives to see how the strengths of each partner when combined with the strengths of the company, can help expand the market. How can the company support the weaknesses of partners or distributors so that the company and partners can work together to achieve the goal effectively and efficiently? As for existing partners or distributors, they will work more closely together to be able to respond to customer needs quickly in time.

3. The company focuses on developing products that are in demand by the market, such as new alloys or new hydrophilic colors that are in demand by the market, including being able to co-develop products with customers to meet customer needs and market demands in a timely manner.

4. Adjust marketing plans to develop services to maximize customer satisfaction. In the past, the aluminium market has been highly competitive, especially in terms of price. The company has tried to avoid such situations, so it has tried to increase its service capabilities and set service standards that are above competitors. From asking many customers, it was found that what customers expect from suppliers is product quality and on-time delivery. Therefore, the company has turned to improving internal work processes to make product deliveries more timely, including the time to manage product development and customer complaints to be faster, in order to raise service standards to be above competitors.

1.1 Regular customers and most of the regular products will be ordered with specifications as before, customer satisfaction is to provide products of consistently good quality, on-time delivery, and at a price that the customer is satisfied with.

Marketing strategies that the Company should use in its business operations to meet the needs of the market and this group of customers are as follows:

- Produce products according to customer requirements to meet standards.
- Maintain consistent quality.
- Deliver products within the time agreed with the customer.
- Cooperate in product development with customers in order to get better quality products.
- Salesperson visits to meet customers closely Exchanging new and up-to-date information in marketing and informing Market information to supervisors and team members to know the situation and keep up to date.
- Invite customers to visit the factory to ensure that the company can produce products to meet the needs.
- In the case of foreign customers Must cooperate with government agencies Study the export methodology to have a good system. Fast and reliable coordination and communication.
- Product development and production process to save and reduce costs to be able to compete.
- Conduct market surveys, current customers, develop new products to increase the market and expand the market.

1.2 New customer group: Due to high competition, it is necessary to recruit new customers continuously. This may use products that the company already produces or may develop and offer new products all the time. The company focuses on opening new customers in the European and American regions, avoiding countries with competitive prices. It will mainly focus on marketing products in which the company has expertise, but without limiting the development of new products.

2) Characteristics / Target Customers

The products that the Company has already produced are Aluminium Rolled Products which produce 2 types of products, namely Aluminium coil and Aluminium sheet. For the target customer groups, the main ones are as follows:

- 2.1 Group of customers who are entrepreneurs with factories buying Aluminium from the company to produce parts for products such as components for air conditioners, refrigerators, freezers, parts for electrical appliances car radiators Heat shields in the automotive industry, etc.
- 2.2 Group of customers who are entrepreneurs with factories Buying Aluminium from the company to be processed into products for consumption and eating, such as PP caps easily broken, yogurt cup lids, cups and trays, food wrap foil, etc.
- 2.3 Group of customers who are manufacturers of consumer products buys Aluminium from the company go for stamping or forming Produced directly into finished products such as stamping forming into an electric control cabinet, honeycomb or a food fume hood, lid and filling of the rice cooker, car license plate, lamp terminal, heat shield-shaped for automotive structures, etc.
- 2.4 Group of customers who are entrepreneurs with factories orders Aluminium from the company to produce other products such as punching pads, circuit boards, Eyelets for shoelaces, bags, belts, eyelets for curtains, etc.

3) Distribution and distribution channels

The company sells products to customers as follows:

- Domestic customers are both Thai companies, foreign holding companies, and foreign companies that set up factories in Thailand which is a manufacturers for sale both in the country and for export.
- Overseas customers, the company sells to overseas customers directly according to customer orders which is a factory that manufactures products that use Aluminium as a component according to product characteristics/target groups same as domestic customers.
- There are also sales through agents both in the country and abroad.

Distribution channels can be classified into 4 main ways as follows:

- 1) Distributed by the company's sales staff, selling directly to the manufacturers of Aluminium processed products, which is an entrepreneur in Local Converters and/or Manufacturers, which includes both Thai companies foreign companies, and Thai and foreign joint venture companies that set up production bases in Thailand including those located in the Export Zone as a manufacturer for both domestic and export sales.
 - 2) Distributed by the company's foreign sales staff, selling directly to foreign customers, even though they are manufacturers, and who are distributors in foreign countries who sell to manufacturers of processed products in that country and nearby countries.
 - 3) Sold through local distributors who distribute to foreign manufacturers and exporters located in Thailand both produced for sale in Thailand itself, produced for export, including companies exporting to foreign countries as well.
 - 4) Distributed through distributors in foreign countries which distribute to manufacturers in various industries of that country.
- The proportion is divided into 40% domestic sales and 60% overseas.

(a) Competition conditions Sales and Marketing Situation

In 2024, domestic competition still had to compete with products from China, which had very low prices. In 2025, there was still a downward trend. However, there were positive factors. With some products that made good profits, the company still had a high market share. Products that used to make low profits were able to adjust their prices to make higher profits. However, the company still had to keep an eye on the direction of the Chinese government's policy to cancel subsidies for the export of aluminium products to see if it would be beneficial to the company or not.

The policy to cancel subsidies for the export of aluminium products by the Chinese government in December 2024 also affected the overall market situation. This matter must be closely monitored because it affects the determination of marketing policies in the country and abroad, especially the price, which could be both a positive and negative factor for the company.

The foreign market had positive factors in every region, especially the Indian market, which had a significant increase in purchase orders due to the high purchasing power of the people in the country. In addition, the rising temperature caused the demand for air conditioners to increase dramatically. In addition, air conditioner manufacturers expanded their production capacity by completing the construction of new factories, resulting in an unprecedented influx of purchase orders. As for the European market, there were more purchase orders because the original suppliers could not deliver products on time, causing purchase orders to come to the company, which is another option. And the company has already paved the market. For the American market, the company has joined hands with its American partners to jointly develop the market, using the strengths of the partners' strong networks and the company's expertise in aluminium products to jointly expand the market in America. It is expected to be successful in 2025. However, there are still factors that do not benefit the company. The company must find a way to limit such risks, namely the volatility of marketing costs for aluminium products (premium), which the company refers to as the Japanese market (MJP). In 2024, such marketing costs tend to increase every quarter and will continue to increase in 2025. This high marketing cost affects the company's profit per unit, so the company must manage such matters to have the lowest risk.

The company has a large number of purchase orders in 2024, coupled with limited production capacity of machinery, which requires the most efficient production management. The production department must also plan to improve machinery or find ways to increase production capacity to accommodate the increasing purchase orders.

The company has tried to maintain quality standards and delivery at the ISO 9001:2015 standard, which is still a standard that must be strictly followed. As for the CBAM (Carbon Border Adjustment Mechanism) measure, it will be seriously implemented this year. The company still has to prepare to provide correct information. In addition, there are increasing requests for environmental standards, such as ISO 14064, which is a standard on requirements and recommendations for measuring the amount of greenhouse gases in an organization, and ISO 14067, which is a standard on requirements and recommendations for measuring the amount of greenhouse gases throughout the product life cycle. The goal is to have the company successfully obtain ISO 14064 by 2025.

Sales impact and marketing from external factors

1. The volatility of the exchange rate and the currency of baht and USD.
2. The volatility of Aluminium prices is increasing and decreasing rapidly.
3. Problems of the Russian-Ukrainian War
4. 4. The Israeli-Palestinian War Problem
5. Problems in energy prices and other rising costs.
6. The country's trade policy problems
7. Problems with trade protection measures and more stringent measures for importing goods.
8. Problems from natural disasters cause demand to decrease.
9. Economic Conditions Across the Region.
10. Inflation problem and interest rate adjustments.

Throughout 2024, the company has been affected by various situations caused by external factors that cannot be controlled, preventing it from achieving its set goals.

In 2024, the company's sales structure has a domestic and international sales ratio of 60 to 40 each. In addition, essential raw materials such as aluminium bars must be imported from abroad. Exchange rate fluctuations, which fluctuate throughout the year due to the policies of each country as well as the economic conditions of the year, have a direct impact on selling prices and costs.

In addition, due to the ongoing war, declining demand, or economic recession, the company continues to use the policy of reducing risk by reducing aluminium stocks to a sufficient level, including finding measures to support risks arising from exchange rates, including the volatility of raw material prices, which are still very volatile.

The Russia-Ukraine war is another factor that must still be monitored because Russia is an exporter of many raw materials, including aluminium. In addition to aluminium prices, this war has also affected all industrial groups widely.

The war in the Red Sea, which has not yet shown any signs of easing or ending, has affected shipping costs to enter the European Union, which are higher and are still uncertain when it will end, as well as increased transportation times, causing the company to plan production and transportation more carefully to deliver the goods on time

In addition, the situation in the United States is also a risk factor that can occur, especially for aluminium products. The company must closely monitor the situation to adjust to the situation in time.

Difficulty/ease of having new competitors

The company's business is the aluminium sheet and coil manufacturing industry, which requires advanced technology, specific machinery, and a lot of investment. In addition, there is continuous research, development, and improvement of products and production to be ready for competition and support new markets, including international standards in terms of quality and environment and readiness to set various international standards that customers request, making it difficult for new competitors to enter the market. Or if they enter, they still need time to develop the market. Therefore, most competitors in the market are old players who have been in the market for a long time. Therefore, the competition in the market depends on who can manage costs cheaper, who can deliver products on time, and who can develop products faster, which will lead the market.

As for products that can replace aluminium, there are still very few, but the company cannot stop thinking and developing. The company still has to continuously monitor market information to keep up with the situation to use that information to continuously improve and develop in every dimension to be ready for competition and to deliver products and services to customers with the highest satisfaction.

Bargaining power of buyers and sellers

In the past year, domestic customers still had high bargaining power because some manufacturers in Asia had low production costs and benefited from tax measures, allowing them to sell at low prices and giving domestic buyers more choices.

In the international market, buyers still had bargaining power over sellers because domestic manufacturers themselves sold at relatively low prices, and importers adjusted their sales plans to avoid tariff and non-tariff barriers, giving buyers in international markets more choices.

However, sellers' bargaining power will increase when sellers have products and unique techniques that are in high demand by the market, to the point where there are no competitors or only a few competitors in the market. This will increase the sellers' bargaining power, which is the direction the company is currently taking: developing and focusing on producing products with special features that few competitors can do.

(3) Procurement of products and services

(a) The nature of the procurement of products for sale

1. Production

The company is a manufacturer of Aluminium coil products that have been certified ISO 9001: 2015, JIS H 4000, IS 15392: 2003 and have passed the environmental quality standard certification ISO 14001: 2015 as well with 4 factories that are used in production in Samut Prakan Province. The total production is approximately 3,600 tons/month. Seasons and Management Sales Forecasts (Marketing) can support the needs of customers, but in order to support the future sales growth that is likely to increase, the company needs to improve its efficiency and add more machines to increase the capacity and production capacity to maintain quality and meet the needs of customers.



2. Procurement of raw materials used in production

The main raw materials for making various alloys in the company's production are Aluminium and other metals. Most of the raw materials need to be imported from abroad due to most of the raw materials are not produced in Thailand. The raw materials are sourced from sources that are internationally reliable which in the procurement of raw materials. The price of raw materials will meet international standards and the price of the raw material is according to the commodity market price which the company Management has to be done in order to obtain raw materials with good prices. Also, due to the company's history and good relationship in Aluminium trading, etc., with multiple vendors. It has earned the trust and is being offered regularly by new manufacturers and vendors. This allows the company to have more sources of raw materials and get better trading conditions. In summary, from long-standing good relationships with many vendors, they have gained their trust and support throughout together with the management policy that spreads risks in raw material procurement by acquiring more new sellers and on-time payments. As a result, the company has confidence in the supply of raw materials for production, both main raw materials and other raw materials that will be consistent in quantity, quality reliability and reasonable price forever.

(4) Assets used in business operations

4.1 Main fixed assets used in the Company's business operations

The main characteristics of the main fixed assets used by the company in its business operations are that the company owns a total of 6 title deeds (consecutively), totalling an area of 34 rai, 2 ngan, and 47 square wa, located on Sukhumvit Road, Km. 41.5, Bang Pu Mai Subdistrict, Mueang District, Samut Prakan Province, with buildings such as 4 factory buildings, 1 warehouse building, 2 office buildings, etc., and important machinery and equipment such as furnaces, casting machines, rolling, baking, cutting, pulling, coating, aluminium sheets, etc. With such assets, especially important machinery, the company has improved and developed efficiency to have the capability and sufficiency suitable for the use of the company's business both in current and future economic conditions. The value and burden are as follows:

Unit : Million baht			
Property Type/Characteristics	Proprietary nature	Net book value As of Dec 31, 2024	Obligation (mortgage limit)
Land	company owned	*236.30	1,305.00
Building	company owned	28.88	
Machine-Equipment	company owned	**469.94	726.08

Note * In 2022, the company has re-evaluated land prices by comparing market prices (Market Approach).

from 40.31 million baht at cost price

** Excluding construction in progress, another 34.73 million baht.

4.2 Important intangible assets in business operations

Unit : Million baht		
Royalties	Computer software	Total
-	0.74	0.74

(5) Work that has not yet been delivered

- None -

1.3 Shareholding Structure of the Group
1.3.1 Shareholding Structure of the Group


As of March 11, 2025 (record date)

Name/Group of Principal Shareholder		Nationality	Number of share	%
1.	Thai Metal Work Company Limited	Thai	48,539,259	48.587
	Address: 181 Soi Amorn, Nanglinchee Road, Chong Nonsi, Yannawa, Bangkok 10120, Thailand. Telephone: +6622132514 Fax: +662872031 Established: October 1, 1943 Capital: 200,000,000 Baht Principal Business: Holding Company Shareholder: Chaixanien family members being shareholders with total shareholding of 100%			
2.	MA Aluminium Corporation	Japanese	13,381,476	13.395
	Established in 1962 as Mitsubishi Reynolds Aluminium Co., Ltd. and changed our company name to Mitsubishi Aluminium Co., Ltd. in 1970. We have been operating for as long as 60 years with the support of our stakeholders. As a result of the shareholder change, we will leave the Mitsubishi Group. However, we will view the change as an opportunity and as our second founding. We will take on the bold challenge of making innovative changes happen, aiming to help improve the value of the group's Aluminium business. Established: April 1, 2022 Capital: 310 Million Yen Principal Business: Production and Sales of Aluminium and Aluminium Alloy Mill Products and Fabricated Products President: Toshiyuki Shimamura Shareholder: Altemira Co., Ltd. (Showa Aluminium Can Corporation) Office: Head Office: 85, Hiramatsu, Susono, Shizuoka 410-1127, Japan Tel: 055-992-1211 Fax: 055-993-1033 Nagoya Branch: 4-3, Nishiki 2-Chome, Naka-ku, Nagoya, Aichi 460-0003, Japan Tel: 052-209-5680 Fax: 052-209-5683 Tokyo Office: 3-3, Shiba 2-Chome, Minato-ku, Tokyo 105-8546, Japan Tel: 03-3769-0111 Fax: 03-3769-0180 Web: http://www.malco.co.jp/en/index.html			

- The company does not have securities listed on other stock exchanges.
- The company has no securities other than ordinary shares.
- The company has no subsidiary or associated company, or to hold shares in other companies (holding company)

1.3.2 Persons who may have conflicts of interest hold shares in subsidiaries or associates.

The company has no subsidiaries or associates, or to hold shares in other companies (holding company)

1.3.3 Relationship with the business group of major shareholders

It has been opened in section 1.1 Policy and business overview.

1.3.4 Shareholders

(1) List of major shareholders

List of major shareholders as of March 11, 2024 (Record Date)

No	Name – Surname	Number of shares	%
1	Thai Metal Works Company Limited ¹	48,539,259	48.59
2	MA Aluminium Corporation. ²	13,381,476	13.39
3	Mrs. Soranee Deephanphongs's Group ³	7,354,769	7.36
4	Mr. Sahasee Chitanondh's group ⁵	4,318,275	4.31
5	Mr. Chirawut Chaiyawat's group ⁴	3,687,993	3.69
6	Flg.Off. Kamolnai Chaixanien's group ⁶	2,509,541	2.51
7	Mr. Wichian Srimuninnimit	1,924,000	1.93
8	Mrs. Panida Kubota	1,127,117	1.13
9	Mr. Supachai Veerawornphong	1,040,300	1.04
10	Mr. Sanchai Chaixanien's group ⁷	926,011	0.93
11	Mrs. Pornthip Rujinarong	764,695	0.77
12	Mr. Meerat Rujinarong	702,500	0.70
13	Miss Niyom Komin	613,476	0.61
14	Others	13,012,711	13.03
รวม		99,902,123	100.00

¹ A Holding Company 100% owned by a person in the Chaixanien family without any shareholder holding more than 30% of the registered capital of the Holding Company consisting of

Group of shareholders	Number of shares	(%)
1) Mrs. Soranee Deephanphongs and family	437,180	21.86
2) Mr. Sanchai Chaixanien and family	306,300	15.32
3) Mr. Chirawut Chaiyawat and family	331,140	16.56
4) Flg.Off. Kamolnai Chaixanien and family	307,660	15.38
5) Mr. Sahasee Chitanondh and family	316,940	15.85
6) Mrs. Panida Kubota	300,780	15.04

² A Japanese shareholders held by Altemira Co., Ltd. (Former name, Showa Aluminium Can Corporation).

³ Mrs. Soranee Deephanphongs's Group consists of Mrs. Siriket Chaixanian, Mrs. Soranee (Chairman/Authorized Director of the Company), Mr. Chaiyong (Former Chief Executive Officer/Director), Ms. Gunyapart (Asst.MD) and Mr. Na Phi Deephanphongs.

⁴ Mr. Chirawut Chaiyawat's group consists of Ms. Puranee, Mr. Chirawut (Director), Mr. Supanit Chaiyawat and Samasai Co., Ltd.

⁵ Mr. Sahasee Chitanondh's group consists of Ms. Kulaya, Mr. Sahasee (Director/Former Managing Director/Authorized Director of the Company) and Mr. Peerayu Chitanondh.

⁶ Flg.Off. Col. Kamolnai Chaixanian's group consists of Mrs. Sriphan, Lt. Col. Kamolnai (Director) and Ms. Supida Chaixanian.

⁷ Mr. Sanchai Chaixanian's group consists of Mr. Sanchai, Ms. Nuengnuch Chaixanian and Mrs. Jutaporn Techapaiboon.

(2) The Company has no subsidiary or associated company or to hold shares in other companies (holding company).

(3) The Company has no agreement between the major shareholders (shareholders' agreement) in matters affecting the issuance and offering of securities or the management of the company.

1.4 Amount of registered capital and paid-up capital

1.4.1 The Company has a registered capital of 500,000,000 million baht, paid-up 499,510,615 million baht, divided into 99,902,123 ordinary shares, 5 baht per share, no preferred shares.

1.4.2 The Company does not have other types of shares with different rights or conditions than ordinary shares.

1.4.3 The Company has no shares or convertible securities as securities.

1.5 The Company does not issue any other securities.

1.6 Dividend Policy

The Company has a policy to pay dividends to shareholders once a year at the rate of not more than 60% of the net profit from operations, subject to the approval of the general meeting of shareholders.

Dividend payment history compared to net profit relive the past

Year	Dividend (Baht/Share)	Net Profit (Loss) (Baht/Share)	Dividend / net profit (%)
2024	-	1.31	2567
2021	-	0.04	2564
2561	0.17	0.28	60.71
2560	0.20	0.12	166.67
2559	0.12	0.18	66.67
2554	0.325*	0.55	59.09
2553	0.225**	0.34	59.47
2552	0.45***	0.68	66.17
2550	0.40****	0.68	58.82
*	Paid as a share dividend at the rate of 40 existing ordinary shares per 1 new share, equivalent to a dividend payment of 0.125 baht per share, and a cash dividend of 0.20 baht per share.		
**	Paid as a share dividend at the rate of 40 existing ordinary shares per 1 new share, equivalent to a dividend payment of 0.125 baht per share, and a cash dividend of 0.10 baht per share.		
***	Paid as a share dividend at the rate of 20 existing ordinary shares per 1 new share, equivalent to a dividend payment of 0.25 baht per share, and a cash dividend of 0.20 baht per share.		
****	Paid as a share dividend at the rate of 20 existing ordinary shares per 1 new share, equivalent to a dividend payment of 0.25 baht per share, and a cash dividend of 0.15 baht per share.		

2. Risk Management

2.1 Policy and risk management plan

As a result of the company's current operations, the company faces constant fluctuations and changes in both external factors such as changes in economic conditions, fluctuations in raw material prices, interest rates, politics, epidemics, higher competition and violent, information technology as well as legal and regulatory requirements, on internal factors such as determining the company's operating strategy internal information management as well as operational risks, etc., with the belief that corporate risk management is a process that helps the company able to achieve the objectives and goals set. At the same time, it reduces obstacles or unexpected things that may occur in terms of results, performance, trust from investors and other stakeholders to the organization, preventing damage to the organization, responding effectively to changes in the business environment, good management, and control system to build confidence and create added value for investors, employees, and other stakeholders.

The company does not have a risk management committee, but the company risk management process is managed by the Executive Committee to determine the implementation of the management. Management is responsible for defining and designing work systems including identifying risk factors, the managing director is the chairman of the working group which business planning or operation taking into account the risk factors as well It allows management to design a system with control points to control risks to an acceptable level for the organization. The details of the risk factors have already been identified.

The company has a risk management. by clearly defining the objectives and acceptable risk levels in risk management for risk management to be in the same direction

- 1) Adopt international standard risk management as a guideline and make risk management a part of decision making Determination of strategies, plans and operations of the Company.
- 2) Determine measures and guidelines to manage the remaining risks to be at an acceptable level by considering measures to effectively reduce the likelihood and/or impact of risks that may occur which will drive to be able to achieve the objectives of the organization set.
- 3) Identify risks unexpected events or crises and the impact or reduction of loss or damage to the Company appropriately and in a timely manner.
- 4) Informing all departments to be informed of important risks trend of risk and overall risks As well as overseeing risks effectively and efficiently, it is responsible for identifying, assessing, formulating a risk management action plan and managing major risks on a regular basis, including in the event of an event, activity, process and/or major project or change. Make significant in-house conversions taking into account risk tolerance and practicability at reasonable costs.
- 5) There is communication and knowledge transfer and develop relevant employees to have an understanding of risk management, awareness of being a risk-taker as well as having a common risk management under responsible work on a regular basis
- 6) Operate in accordance with Good Corporate Governance principles in order to reduce the chances of risks and impacts from risks, reduce uncertainty in overall performance including increasing the chances of success.

2.2 Risk Factors for the Company's Business Operations

2.2.1 The risks to the Company's or the Group's business both at present and emerging risks can be summarized as follows:

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivable and deposits with financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company 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 sales to some overseas customers are required to pay a partial advance payment. Additionally, the Company assesses the credit ratings of all new overseas customers through financial institution.

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 calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved major counterparties to mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three types of market risk: foreign currency risk, interest rate risk, and commodity price risk. The company's risk management policy, disclosed in the foreign currency risk, interest rate risk, and commodity price risk topic, which consists of:

Foreign currency risk

The company is exposed to significant foreign exchange risk arising from the purchase or sale of goods in foreign currencies. The company manages most of this risk by entering into forward contracts, most of which have a term of no more than one year. The company has received financial support from several financial institutions for entering into forward contracts, and it also has a policy of managing the receipt and payment of foreign currencies at appropriate rates, which can help in managing exchange rates very well. In 2024, the company had a profit from exchange rates of 40.91 million baht.

As of 31 December 2024, the balances of financial assets and liabilities denominated in foreign currencies are summarised among 14 and 15 million US dollar respectively. To manage the foreign currency risk exposure, the Company entered into foreign exchange forward contracts as summarised as of 31 December 2024 among 20 million US dollar.

However, the company is not indifferent to the situation. Therefore, it has implemented a strict and systematic financial policy. In addition, it is necessary to closely monitor news and world situations so that the company can adjust its strategies in time.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its bank overdrafts and short-term loans from financial institutions, accounts payable - trust receipts, and long-term loans from financial institutions. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Company manages the interest rate risk appropriately and in accordance with various expenses such as using long-term borrowing lines for investments that will generate returns, long term or use an overdraft limit or short-term loans for working capital.

Commodity price risk

Aluminium Ingot which is a commodity, it is purchased directly from Producers and Traders. The Aluminium market is continuously fluctuating in both quantity and price. This is due to increased demand from the recovery of the world's major economies. In addition, in the financial market, Aluminium has been used as the base of financial instruments. This causes increased volatility in quantity and price, that is, it does not follow the actual market mechanisms on the demand and supply sides. Various financial institutions have provided sufficient credit support for importing major raw materials and at appropriate interest rates.

The Company is exposed to risk of volatility in raw material prices and selling prices because the Company's major raw material is Aluminium ingot, and the selling prices are determined based on such raw material prices. In managing the risk, the Company has entered into short-term commodity swap agreements with commercial banks help to manage costs so that they do not have much volatility and know the cost in advance for the benefit of further income planning.

However, the hedging contract does not guarantee that the company will be able to manage to purchase raw materials at a price below the market, which could not be accurately predicted at the time of contracting, and the company does not have an objective to focus on making profits from fluctuations in aluminium prices. As of December 31, 2024, the company has not a commodity swap agreement. In 2024, the company lost on derivatives revaluation for 1.46 million baht.

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts, loans from financial institutions and accounts payable - trust receipts. The Company has policy to use bank overdrafts and short-term loans from financial institutions to maintain the Company's working capital within the facilities approved by the financial institutions and reviewed by the Company's management. In addition, the period of maturity of accounts payable - trust receipts is consistent with the period of receiving payments from trade receivables. The Company has assessed the concentration of risk with respect to refinancing its debt and determined it to be low. The management believes that if necessary, an existing lender will agree that debts maturing within 12 months can be rolled over.

The risk of relying on a large or few distributor

In 2024, the company had sales through distributors, namely, MALC Thai Company Limited, amounting to 810.75 million baht (27.29% of sales revenue) decreased from 833.30 million baht (32.88% of sales revenue), of the previous year. The Company has a distribution agreement with MALC Thai Co., Ltd. as distributors for a period of 1 year (year to year) effective from 27 January 2022 onwards. Where MALC Thai Co., Ltd. is held by MA Aluminium Corporation, a major shareholder of the Company with a good relationship between these shareholders together with the company's products It has been developed to be accepted by the customers of this distributor. Therefore, it is unlikely that this distributor will cancel or not renew the contract with the company.

Risk from the Company having a major shareholding of more than 25%

As of March 11, 2025 (RD) Thai Metal Works Co., Ltd., a holding company 100% owned by a person in the Chaixanien family which holds 48,539,259 shares in the Company, representing 48.586 % of the total issued shares of the Company. As a result, the Chaixanien family was able to control almost all the resolutions of the shareholders' meeting whether it is a matter of appointment of directors, requesting resolutions on other matters that require a majority vote of the shareholders' meeting, except for matters that according to the Company's Articles of Association and the law require that three-fourths of the votes of the shareholders' meeting are required, other shareholders may collect votes to check and balance the matters proposed by the major shareholders are quite difficult. However, in the past the company conduct business with transparency, fairness and listen to opinions, suggestions of a minority already. Therefore, there has never been any such problem with the Company.

Emerging risks**Risks from the business environment (Business Risk)**

The company continuously manages risks regarding increased market competition, adding new sellers, and expanding the production capacity of competitors, tariff and non-tariff trade barriers of importing countries, the entry of substitute products brings about changes in customer behaviour and product demand, the impact of energy and raw material prices remains high, interest rate increase, increasing the variable electricity price (Ft.), which the company places importance on creating innovation, emphasis on research, new product development, increasing, developing, and improving the efficiency of the production process to have cost and competitiveness to produce products to better meet the requirement of customers in which the company competes not only with commercial competitors but must also compete with yourself because the company's production must be better or at least at the same level as its commercial competitors.

Risks from greenhouse gas conditions and standards

Developing stronger climate regulations in countries such as the EU Carbon Border Adjustment Mechanism (CBAM), which is mandatory for importers into the EU. Aluminium products are one of the six products that need to be processed. BIS standards for aluminium finstock products to be imported into India must meet the specified standards; as global efforts continue to reach Net Zero, more and more stakeholders are making announcements and commitments to reduce their emissions. Reducing greenhouse gas emissions has therefore become more necessary, but at the same time consumers can also participate in reducing greenhouse gas emissions by themselves more easily, thus reducing the risk in this regard. The company therefore needs to proceed following those specifications.

2.2.2 Investment risk of securities holders -None-

2.2.3 Risk of investing in foreign securities -None-

3. Driving business for sustainability

3.1 Sustainability management policies and goals

The company is committed to product and personnel development to create value for the organization by taking into account the impact on the community, environment and stakeholders for the sustainability goals of business operations under the principles of good corporate governance to encourage directors, executives and employees at all levels to operate with morality and ethics, taking into account social and public responsibilities and for sustainable business growth. The company has established a sustainability management policy, social responsibility including the implementation of guidelines as part of the management of business processes.

Board of Directors Adhere to the principle of doing business in accordance with the ethical framework, Code of Conduct, and Good Corporate Governance Policy of the Company, emphasis is placed on fair treatment, honesty, transparency, and consideration for all stakeholders, to go towards being an organization that operates with social responsibility and develops towards sustainability by operates in accordance with the sustainability report guidelines which covers both economic society and environment under the following principles of good governance.

In 2025, there is a plan to start conducting business assessments based on ESG sustainability guidelines by collecting sustainability data and continuing to do this case.

Conducting business with fairness

The Company treats its business partners in accordance with the fair and equitable competition framework by adhering to the contract and trade conditions as well as providing equality and fairness to all trading partners, respect the intellectual property of others.

The Company is committed to conducting business with honesty and conducting business with social responsibility, committed to doing good to the community, society, and environment. Operate business with a standard operating system have good control, use our knowledge to the best of your ability with caution according to international standards strictly abide by the laws and regulations including fair treatment of customers, do not claim or receive any benefits unrighteously, and does not disclose customer trade information unless it is disclosed by duty or law.

Fair competition: fair and equitable treatment in accordance with the terms and conditions of trade with customers and the seller strictly as well as fair trade competition taking into account ethics in trading, do not misrepresent, deceive or use any other improper means.

- The company promotes the policy of free and fair trade competition.
- Behave within the framework of good competition rules.
- Do not seek confidential information of partners through dishonest or unfair means.
- Do not damage the reputation or attack the competitors by slander.

Respecting Property Rights: Encourage employees to comply with property rights and strictly respect intellectual property, patent and copyright.

- The company will not infringe copyright Patents and trademarks of others are strictly prohibited.
- Employees of the Company have a duty to maintain trade secrets, confidential business practices whether it is the company, the customer or the business partner.
- Employees of the Company must use a computer for the benefit of work, do not use a computer in any way that is unlawful, moral, customs and traditions.
- Employees of the Company must use a computer program that has a valid license, strictly forbidden to install and use any unlicensed computer program in the company.

Promote Social Responsibility in Suppliers: Promote and cooperate in the implementation of social responsibility of customers, vendors, including ensuring compliance with labor laws of the contractors who are the Company's suppliers.

- Treat partners as partners and key business success factors with equality and taking into account the mutual benefits.
- The selection of trading partners is transparent, systematic and standardized, with development and maintenance of sustainable relationships with trading partners and contract parties.
- have mutual trust.
- Strictly adhere to the policy of treating business partners by selecting partners with standards, a price comparison before ordering, and suppliers' assessed using internationally standardized criteria.

Anti-Corruption

The company has a code of ethics/policy to operate in accordance with the law and support the Company's employees to operate with integrity and ethics, including encouraging the Company's business partners to run the business right, transparency as well, along with creating awareness, values, and right attitudes at all levels arrange checks and balances and efficient internal control system no conflicts of interest in order for the Company's anti-corruption policy to be treated in a concrete manner, the Company has announced the Code of Conduct/Anti-Corruption Policy and to be considered as the Company's work regulations. In addition, the Company has jointly announced its intention to be the Collective Action Coalition (CAC), which is a cooperation of 8 leading organizations, namely the Thai Institute of Directors Association, Thai Chamber of Commerce International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers Association, Federation of Thai Capital Market Organizations, Federation of Thai Industries, and the Tourism Council of Thailand from November 1, 2021, which has already been disclosed in Section 8.1.4 (3).

Respect for human rights

The Company respects human rights and the individual adheres to the principles of human rights as a common practice. All employees must strictly not commit any acts or encourage human rights violations, treat each other with respect, each other behave in accordance with the Company's rules and regulations and according to tradition without causing any disgrace to the Company's image. The Company is aware of human rights and equality and does not discriminate against any individual on the basis of race, nationality, language, religion, gender, age, and education. Individual freedoms must be protected from harassment through use or disclosure to unrelated persons by setting a code of conduct/policy and guidelines for practice. In the past, the company did not receive complaints due to improper practices or unfairness in any way.

Fair treatment of labor

The Company realizes the importance of human resources as a key factor in business operations. There are guidelines for treating employees. The management adheres to the principles of fair treatment of employees at all levels, without discrimination of race, religion, and sex, and strictly follows the laws and regulations. All employees will be treated equally and fairly, supporting capacity building to enhance their progress and increase the efficiency of employees as well as encouraging employees to understand the code of conduct that employees should follow, provide appropriate remuneration and benefits for employees, have a good quality of life, fair employment conditions, appropriate welfare, opportunity to develop for career advancement including having a safe and hygienic work, encourage personnel in the organization to treat each other with honesty, listen to the opinions of others including giving employees an opportunity to express their opinions and listen to suggestions rationally. The Company has established a relevant code of conduct/policy as a guideline for the development and upgrading of human resources that are considered the most important in business operations that will enable the Company to achieve sustainable goals.

Consumer responsibility

The company is committed to creating customer satisfaction by improving the quality of products and services to meet the needs of various customers continuously as well as produce products that are safe and is responsible to customers and consumers. The company realizes the importance of and takes into account the health and safety of consumers, comply with safety standards, monitoring and maintaining the said standard system of the company continuously remains consistent with the requirements, represent overall social responsibility.

- The company delivers quality products that meet or exceed customer expectations under fair conditions.
- Provide accurate, adequate and timely information about products and services to customers in order to provide customers with sufficient information to make decisions without concealing the facts with customers that cause customers to misunderstand about quality, quantity or any condition. of goods and services.
- Maintain the confidentiality of the customers and do not misuse them for their own benefit or those involved in it.
- Respond to customers' requirements .

Responsible involvement in politics

The Company has a code of conduct/political neutral policy, and will not support or act in favor of any political party. In the event that the company wishes to make political contributions to promote democracy, such support shall not contravene the relevant legal principles or act with the expectation of receiving special reciprocal treatment. In this regard, support, a letter requesting approval must be prepared, provide the name of the sponsor and the purpose of the sponsorship, and attach all supporting documents, proposed to the Chief Executive Officer or the Managing Director for approval. All employees have the right to freedom to participate in political activities under the provisions of the Constitution but must not pretend to be an employee or bring any property, equipment, or tools of the Company for the benefit of any political action. If participating, be careful of any action that may lead to the understanding that the Company has supported or concentrated in any political party.

**Evaluation results of the Shareholders' Meeting Management Quality Assessment Project (AGM)**

The company participated in the AGM Quality Assessment Project, organized by the Thai Investors Association, to enable the company to use it as a guideline for organizing a general shareholders' meeting, which is a legal duty, to help verify that the company has fully complied with the AGM best practices, as well as to use it as a guideline for the initial self-assessment under the AGM Quality Assessment Project of listed companies to measure the efficiency of listed companies in organizing meetings, surveying, and monitoring the development of corporate governance of listed companies in Thailand according to good practices according to international corporate governance principles. In 2024, the company received an assessment score between 90-99 points (4 coins) for "excellent" from 397 listed companies.





Evaluation results from the Thai Institute of Directors Association (IOD)

The company participated in the Corporate Governance Survey (CGR) project organized by the Thai Institute of Directors Association to survey and monitor the development of corporate governance of listed companies in Thailand. The criteria consist of 172 items, divided into 4 categories in the assessment developed from the principles of good corporate governance of the Organization for Economic Cooperation and Development (OECD) every year. For the year 2024, the assessment result was at the “excellent” level.

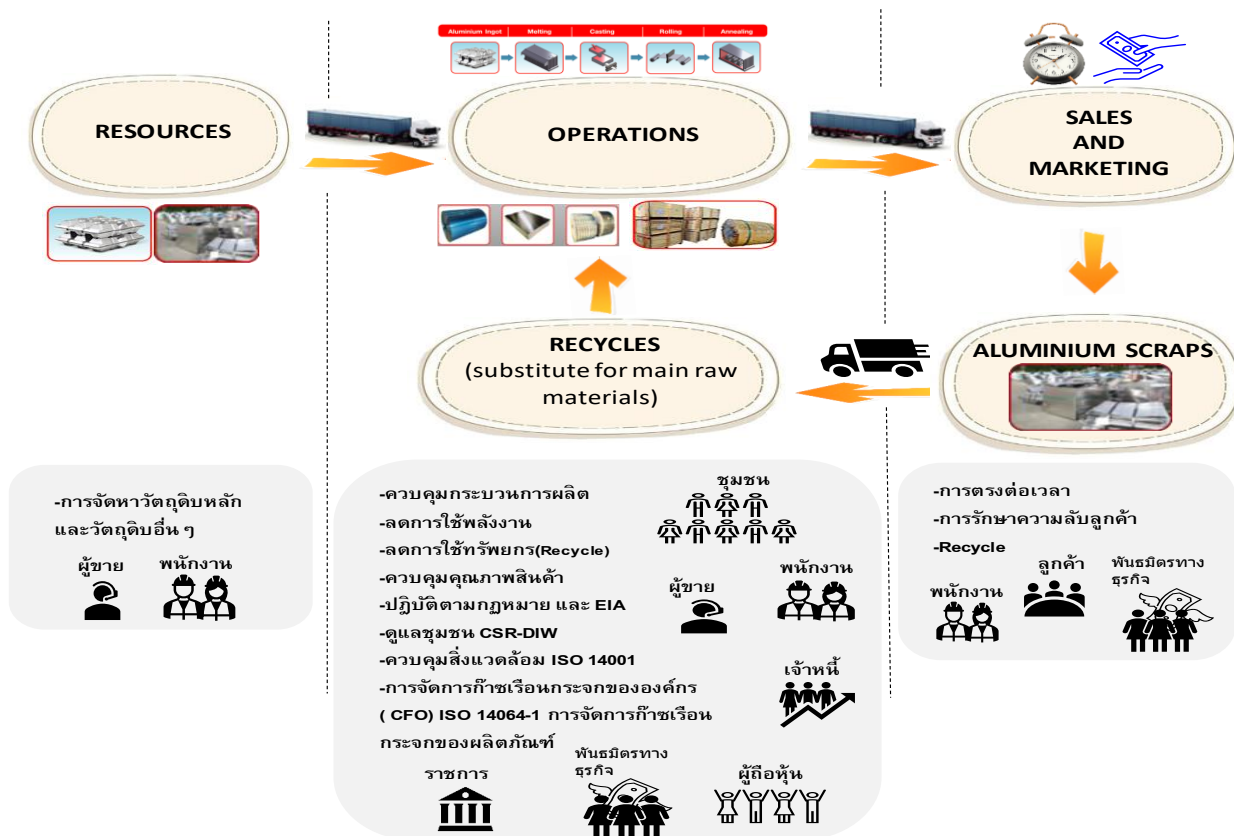


3.2 Managing impact on stakeholders in the business value chain

The Company realizes that all stakeholders in the business value chain are essential to the Company's business operations. This is an important part that will enable the business to grow continuously and sustainably. The company is, therefore, determined to develop and create the value of its products to meet the needs and expectations of both internal and external stakeholders of the Company.

In this regard, the Company has identified stakeholders in the business value chain and analyzed stakeholders in the business value chain based on relationships, expectations, and responses. of the stakeholders as follows:

3.2.1 Business value chain



PRODUCTION PROCESS








3.2.2 Stakeholder analysis in the business value chain

Stakeholders are extremely important to the sustainability of the Company, in order for the business to work with stakeholders to be beneficial, a method for engaging with stakeholders has been established and consider the following important issues:



Stakeholder groups bonding and response

Stakeholder Group	Communication Activities	Expectations and Key Points	Response
Employee 	<ul style="list-style-type: none"> - Channels for receiving comments and complaints -public relations board -E-mail -Morning talk staff -Monthly meeting -Orientation training -Annual performance appraisal 	<ul style="list-style-type: none"> -Compensation, appropriate welfare -Income stability -Progress in work -It is safe to work -Good working environment, with facilities that are conducive to work -There is a plan for training to develop knowledge and abilities 	<ul style="list-style-type: none"> -The wage is higher than the minimum wage -Welfare in accordance with the law -Have care about safety at work Support for personal safety equipment -Organized training to increase knowledge skills for employees -There is an appropriate environmental management system in accordance with the law -Listen to opinions, suggestions for consideration and improvement
Suppliers 	<ul style="list-style-type: none"> -E-mail -Supplier assessment -Questions (Questionnaire) -Telephone 	<ul style="list-style-type: none"> -Increased order quantity -Transparency, fairness -Popular and trustworthy -Received products exactly as agreed -Get paid for goods and services as scheduled -Forecast order quantity -Nondiscrimination -Support projects and activities that customers request for satisfaction 	<ul style="list-style-type: none"> -Support information necessary for purchasing tasks such as product specifications, product details including terms and conditions both in terms of quality, delivery, service, which have been agreed upon. -Pay the goods on time, correct and complete according to the agreement -There is a selection of vendors -There is an inspection at the production site, transparent and fair corporate governance, can be inspected
Customer 	<ul style="list-style-type: none"> - Meet customers -Satisfaction survey -Product brochures -E-mail -Electronic devices such as telephone lines 	<ul style="list-style-type: none"> - On time delivery -Reasonable/reasonable price -Quality complaints are center -No contamination in the product -Maintain customer confidentiality -Comply with trade laws -Constantly complying with the quality system and the environment -Warranty and good after-sales service - Customers are satisfied with the company - price reduction - There is management of the organization's greenhouse gases ISO 14064-1 	<ul style="list-style-type: none"> -The company has been certified with ISO 9001, 14001, JIS H 4000 and IS 15392 (BIS) according to customer requirements -Measure the results according to the satisfaction of customer -Comply with customer requirements -Produce products according to customer requirements - Deliver products on time that customers require. -Listen to opinions, suggestions to take into account and improve

Stakeholder Group	Communication Activities	Expectations and Key Points	Response
Community 	-Meet the community -Phone / Line -Community public relations board	-Good environment does not cause pollution that is harmful to the community. -Support the activities of the CSR community -Listen to opinions, suggestions, complaints from the community to listen to problems. -Employing people in the community	- There are activities to support, donate, repair and build for communities, schools, temples. - There are complaints from surrounding communities to improve. - There is regular government inspection.
Business partner 	-Meetings/online meetings (ZOOM Google meet etc.) -Meet business partners -E-mail	-Transparency and fairness -No discrimination -Returns received from selling reasonable products -Customer confidentiality -On time delivery -service guarantee -Follow customer requirements	- There are standards consistent with customers' requirements. - Measure results based on customer satisfaction - Comply with customer requirements to meet their needs. - Produce products according to customer requirements - Deliver products on time. -Govern the business with transparency and fairness that can be audited.
Creditor 	-E-mail -Telephone	-Pay debts on time -Provide the company to have good performance	-Listen to opinions, suggestions to take into account and improve -Can Inspect every step.
Shareholder and investor 	-Annual Shareholder meeting -Performance announcement quarterly -Annual Report -Telephone / E-mail / Investor Relationship / Call center -Website -Factory's site visit	-Receive appropriate and consistent dividends -Good operating results -Good Corporate Governance, Transparency -Comply with laws	-Control the business with transparency and fairness, verifiable -Disclose important and necessary information about the Company's operations. -Listen to opinions/suggestions in order to develop the operation -Have a Business Code of Conduct
Government authority 	-Letter -E-mail -Telephone -Site visit, meeting	-Conducting business that is transparent and in accordance with the law -Pollution does not exceed the legal limit -Comply with the law Submit a complete report -Help, support information that is needed and needed	-Comply with all laws -Support legal and necessary information upon request

Economic management

In 2024, the company has set goals for managing the organization in the economy of 3 main items as follows:

1. Improving production lines for efficiency and effectiveness able to meet the needs of customers by 2025.
2. Develop the level of satisfaction of all customers to A level.
3. Zero corruption complaints in the supply chain.
4. Apply the BCG Model more, especially in the management of the circular economy in production to reduce costs while reducing greenhouse gas emissions by no less than 28 times (using 1 kg of ingot, the EF value is 12.2359 kgCO₂eq/unit, but if using 1 kg of scrap instead, the EF value is 0.4329 kgCO₂eq/unit: Ecoinvent 2.2 IPCC 2007 GWP 100a).

Sustainability in the environmental dimension

3.3 Sustainability management in environmental dimensions

3.3.1 Environmental policies and practices

The company is an importer of Aluminium ingots to be processed into various types of Aluminium products as raw materials sold to other manufacturers which will be used to produce products or be a component to produce other types of products in the future, focusing on being a leader in the production of unique and quality products that recognize the importance of using natural resources as well as the impact on the environment and society focus on the development of effective environmental management in accordance with the international standard ISO 14001:2015 for sustainable growth of the company. All executives and employees are committed to complying with the following policies.

Commitment to ISO 14001 system Varopakorn Public Company Limited is aware of the environment arising from the activities of the Company. Therefore, the Company is committed to continually and positively improving its environmental performance to reduce and prevent pollution and the impact on the environment to a minimum as well as protecting the environment in accordance with the law.

1. Establish and continually improve the environmental management system in accordance with various requirements in the international standard ISO 14001.
2. Comply with the law / RoHS and other requirements, which is related to the nature of environmental problems of customers and the company.
3. Prepare and review objectives and goals for:-
 - 3.1 Using various factors effectively by encouraging reuse turnover to benefit and substitution.
 - 3.2 Reducing waste from various processes appropriately.
 - 3.3 Manage waste and various wastes appropriately.
 - 3.4 Controlled exhaust ventilation Sewage drainage and soil contamination and noise pollution must be in accordance with the law.
4. Provide training to educate and create awareness for employees and workers on behalf of the company, realize the importance of environmental protection in various activities of the Company.
5. Publicize the policy environmental objectives and goals and to promote the exchange of information News to customers, suppliers and the public.

3.3.2 Environmental performance



Environmental care

The Company received the 2015 ISO 14001 Environmental Management System Certification from SOCOTEC certification UK. There has been a systematic environmental management. There is a follow-up evaluation and review for continuous development. The Company provides guidelines for practice as follows:

1. Designate a person responsible for controlling the business operations in order not to cause an impact on the environment that exceeds the standard and has implemented environmental impact mitigation measures and environmental monitoring measures (EIA) under control in charge of the Department of Industrial Works, Ministry of Industry, and the Environmental Impact Assessment Division. The Office of Environmental Policy and Planning determines twice a year that the results of the environmental quality inspection are still lower than the standards set for every item, and in the past, the company has never had a history of any environmental offences.
2. Promote greenhouse gas reduction management to reduce the impact of climate change by preparing the ISO 14064-1 organization greenhouse gas management report and ISO 14067 product greenhouse gas management report to report the

preparation of export products to the European Union to cope with CBAM measures to meet customer needs and enter the carbon neutrality project, which is a global goal, which is a guideline for reducing greenhouse gases. In the past year, the company has applied for ISO 14064-1 certification to comply with international standards and current competition.

3. Engage in activities with society, communities, and the environment. The company continues to perform its social and community responsibilities by cooperating with the government and communities to improve the quality of life of the surrounding communities, as well as participating in local traditional activities organized by various agencies in the vicinity of the company. It also provides channels for receiving complaints if the community is affected in any way by the company's business operations. In the past year, the company did not receive any complaints related to the impact of its operations on the environment from the communities and others nearby.

4. The company has a risk assessment and control of waste emissions to an acceptable level according to the standards, the organization of 5S activities for orderliness within the company, support for employee morale and encouragement to perform 5S activities with a team that is continuously good in cleanliness, and measures to reduce waste in the production process that arranges for waste separation and disposal of waste that occurs appropriately and complies with laws.

5. Respond quickly and efficiently to incidents affecting the environment and communities due to the company's operations by fully cooperating with government officials and related agencies.

6. Encourage the company's employees to have social and environmental awareness and responsibility within the Environmental Management System (ISO 14001) and encourage efficient use of resources.



Air pollution

Due to air pollution, affects employees, the community surrounding the company, and the environment. The company operates businesses that do not affect the environment, choosing the appropriate technology as well as the production process, using clean energy (natural gas "NG") and solar rooftops, including proper waste management for emissions control, which is below the acceptable standard less than 10% of the standard value based on the report of the measurement of the number of contaminants in the air leaving the system from the chimney, and responds quickly and efficiently to incidents affecting the environment and community due to the company's operations by fully cooperating with government officials and related agencies to comply with laws.



Goal : To manage and control air quality in the workplace and air discharged from the factory to meet the standards set by law.



Performance results

• According to the law requiring factories to install special tools or equipment to report air pollution from factory chimneys (B.E. 2565, the company has controlled pollution emissions at a level lower than the acceptable standard of less than 10% of the standard value, which is exempted from installing CEMS according to the law. The company has increased the frequency of measuring waste emissions from the smelting process and sending data through the POMS system. Normally, measurements are made twice a year, which has been increased to four times a year to comply with the law.

• The company has reported environmental inspections (EIA) and has reported measurements of the amount of contaminants in the air discharged from the chimney twice a year.

• An air treatment system has been installed to prevent pollution before venting air to the outside with control of emissions following the law.

From the company's operations in preventing air pollution, there were no complaints from nearby communities. The company continues to maintain its operations continuously.



Water Management

The company has set a water management plan according to the ISO 14001:2015 environmental management system and complies with relevant environmental laws by increasing the efficiency of water use in the production process and reusing water for use, as well as creating a good sense of awareness among employees to use water resources economically through internal communication channels and improving the basic utility system to help save more groundwater. In 2024, the following goals and actions were set:



Goal: Water use in the production process will be reduced by 5% every year.



Operations

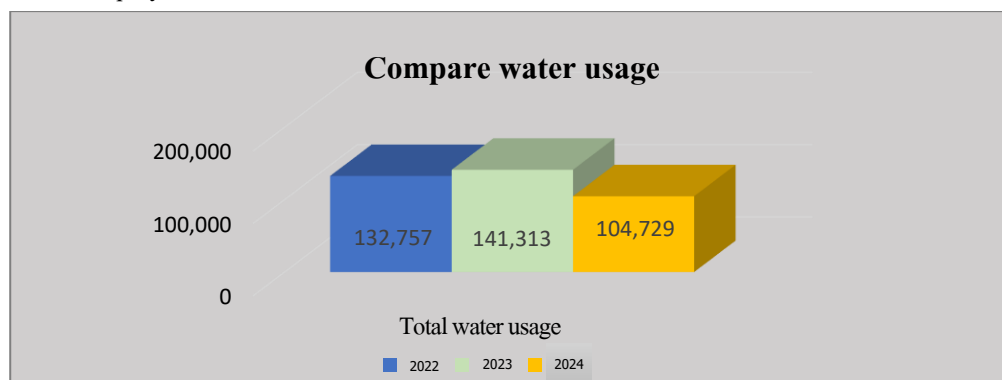
- The company campaigns for the efficient use of resources, including water use within the company, such as reporting leaks immediately for immediate repairs and turning off water when not in use.

- In the event of water leaks, immediate repairs will be made to prevent and control unnecessary leaks, and the responsible party will immediately take action to fix them.



Operations

The aforementioned operations were able to reduce water use by 26% in 2024, which is an adjustment in employee behaviour to be more aware of the company's water use.



Water consumption comparison graph, 2022-2024



Efficient energy and resource management

The company is committed to energy conservation within the organization by implementing an energy management system following the Energy Conservation Promotion Act (Amended B.E. 2550) to ensure efficient and sustainable energy management. An energy conservation working group has been established to oversee operations for maximum efficiency and compliance with the law and to recognize the importance of the global climate change problem from the industrial sector, which causes global warming and impacts the environment. From the assessment of the environmental aspect and greenhouse gas management, the company is aware that business activities that significantly impact the environment include using electricity and fuel. Therefore, in 2024, the company will focus on conducting business more environmentally friendly than before by using renewable energy and energy conservation projects, including training to create awareness in reducing energy and fuel use within the organization more efficiently.



Results of operations

The company's production processes and waste materials do not have any impact on the environment beyond the amount required by law. Due to the company's aluminium melting, it uses aluminium ingots that have a purity of 99.7% and aluminium scraps according to the type of melting, which is the reuse of waste materials in line with the circular economy principle with a ratio of 30:70 and uses natural gas (NG) as fuel instead of high-grade fuel oil as fuel for melting. Consequently, there is very little pollution, and it is within the limits prescribed by law. Furnaces and related machinery and equipment are inside the factory building with surrounding walls. As a result, the sound does not have any effect on the wastewater, such as water contaminated with oil caused by the cooling system of the aluminium sheet casting process, which is treated through a sewage manhole and oil stain trap system before the wastewater is released, and there is also a standardized wastewater treatment plant to treat wastewater. Raw material scraps, most of which are aluminium, can be 100% recycled, and the waste or unused materials have been sent to be disposed of/treated properly according to the system and the law. Therefore, it does not have an impact on the environment.

In addition, the company has also implemented environmental impact mitigation measures and environmental monitoring measures (EIA) under the supervision of the Department of Industrial Works, Ministry of Industry, and the Office of Environmental Policy and Planning set every year, twice a year. The results of the environmental quality examination are still lower than the standards set for every item and in the past, the company has never had a history of committing any environmental offences.

The company has carried out the use of natural gas (NG) to replace the fuel or alternative energy to the existing fuel oil since the end of 2003, which can help reduce pollution and greenhouse gas emissions (CO₂/emission) by at least 3,367,412-6,285,835 kg CO₂/yr., accounting for 25% as shown in the table below, including the installation of dust extraction systems around the furnace and deodorizing furnace. Thus, it can help to reduce the impact on the environment to less than before and maintain the environmental management process according to ISO 14001:2015, which is the latest and current version.

Type	Unit	CO ₂ kg CO ₂ /Unit	Emission kg CO ₂ /yr.	
			NG use 15,000 MMBtu/month	NG use 28,000 MMBtu/month
Natural gas	scf	0.0572	10,060,219	18,779,075
Residual fuel oil	litre	3.08	13,427,630	25,064,910
Reduce CO₂ (emission) /yr		25%	3,367,412	6,285,835

To promote energy efficiency and environmental protection, the company has participated with Japan New Energy and Industrial Technology Development Organization (NEDO) by introducing high-efficiency industrial furnaces that will be able to reuse the lost heat energy (discharge) (regenerative burner) and proceed to disseminate the application of technology widely, and the company's factory is the location of the project still going well. After the installation was completed in September 2009, there was an opening ceremony of the project, a technology dissemination seminar, a project audit, and machine registration, as well as visiting the project to expand results and do knowledge management in a sequence. In 2013, the company also joined the project to promote energy conservation materials and equipment of the Department of Alternative Energy Development and Efficiency (DEDE) to reduce power consumption and protect the environment by modifying the common furnace burner into a regenerative burner that can recycle lost heat energy (discharge). As with the first project (which in the present regenerative burner is considered the best technology to save energy), the project can reduce energy consumption and reduce carbon dioxide emissions by 30% as the target, thus helping to reduce greenhouse gas emissions in the country and help reduce global warming as well. At present, the company is

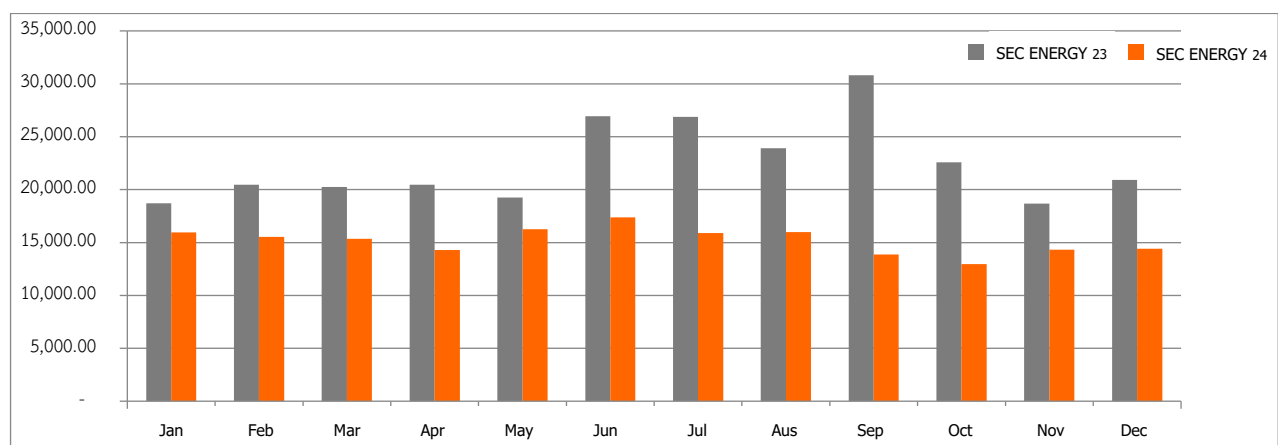
still used in the project as the main machine, which contributes to the production of more quantity and quality and can help reduce pollution and greenhouse gas emissions (CO₂/emission) to at least 4,311,522.28 - 8,048,175 kg CO₂/yr, equivalent to 30% per year as shown in the table below.

Type	Unit	Emission kg CO ₂ /yr	
		NG uses 15,000 MMBtu/month	NG uses 28,000 MMBtu/month
Normal Burner	scf	14,371,740.94	26,827,250
Regenerative Burner	scf	10,060,218.66	18,779,075
Reduce CO₂ emission kg CO₂/yr	30%	4,311,522.28	8,048,175

The main energy used by the company is electricity and natural gas (NG), which are the parts that drive the company's production process and are one of the costs that will result in the company having higher profits. The company has a goal to reduce new energy consumption by 5 percent per year by continuing to reduce energy consumption continuously. There are campaign measures and public relations. Organize activities to educate employees about energy reduction so that all employees are mindful of using energy wisely, such as turning off lights when not in the area or at work, turning off computer screens or fans when not in use, keeping air conditioners at 25 degrees Celsius, and turning off air conditioners after work, which are things that employees must practice as an organizational culture that all employees cooperate very well with. From the comparison of energy consumption per unit of aluminium production in 2023 and 2024, the energy consumption per unit of aluminium production in 2024 decreased by 30.74 percent, which shows that energy consumption decreased compared to 2023 due to the policy that promotes energy reduction within the company. In 2024, the company will continue to have measures to use resources for maximum efficiency.

Average production volume (unit)/month	Amount of energy used		Specific Energy Consumption (SEC) (Megajoules/unit)	Average production volume (unit)/month	Amount of energy used		Specific Energy Consumption (SEC) (Megajoules/unit)
	Electricity (kilowatt-hours)	Heat (Megajune)			Electricity (kilowatt-hours)	Heat (Megajune)	
Year 2023				Year 2024			
1,599	2,641,666	25,403,141	21,824	1,816.61	2,156,593	19,693,989	15,114

Note: Specific Energy Consumption (SEC) = $\frac{\text{amount of electricity energy (kWh)} \times 3.6 \text{ (MJ/kWh)} + \text{amount of heat energy (MJ)}}{\text{Output quantity (Unit)}}$



Comparative table of energy consumption per unit of aluminium production in 2023 and 2024

For the energy-saving project in 2024, the focus will still be on energy saving by using clean and renewable energy. The solar rooftop installation project has signed a contract with Gulf 1 Co., Ltd. to install a 3 MW solar rooftop system on the factory roof. In addition to reducing the company's energy costs, it also reduces greenhouse gases (emissions) by no less than 2,422,900 kg CO₂/year (4,049,000 x 0.5984) and increases production potential at the same time. The installation has been carried out in 2 phases since the end of 2021. The project has completed various parts in both phases in 2024 and has begun testing the operation. It will be officially used within 2025. Currently, the project is waiting for a license to be an electricity producer from the government agency, which is in the process of inspecting and certifying.

The solar rooftop installation project, the extension phase, is also an electrical energy conservation project. which can reduce electricity usage by 2,634,223.50 kilowatt-hours/year, which is 11,798,433.61 baht/year



Solar rooftop installation on factory roof

The heat energy reduction project is a project to change to a non-heat chemical system (from boiling to non-boiling) that can reduce natural gas usage in the production process by 3,061,314.60 megajoules/year or approximately 1,350,093.29 baht/year.

Both projects have been reported to the Department of Alternative Energy Development and Energy Conservation (DEDE) in 2024, which can reduce the company's energy usage by 4 per cent, which is still not in line with the set target. The management continues to focus on all departments in the company to continuously reduce energy usage.



Greenhouse gas emission management

The company has therefore promoted and set guidelines for reducing greenhouse gases. The company has appointed a working group on carbon footprint management to cooperate in protecting the ecosystem and reducing global warming, as well as continuously restoring the natural environment. The policy is to encourage employees to understand the concept of the carbon footprint of the organization and products, collect data for calculating the carbon footprint, and monitor, report and verify the release or absorption of greenhouse gases to lead to planning for greenhouse gas emission reduction activities in the organization. It promotes participation as a pilot plant in the project to expand the promotion of the carbon footprint of organizations in the industrial sector. Federation of Thai Industries in 2021, which has been continuously implemented until 2024. The company continues to reduce greenhouse gas emissions in the organization and drives the reduction of greenhouse gas emissions both directly (Scope 1) and indirectly from energy use (Scope 2).



Greenhouse Gas Management Policy

Varopakorn Public Company Limited is committed to helping reduce greenhouse gas emissions and mitigate the impact of climate change under the country's policy. The company will operate to reduce greenhouse gas emissions to create an organization that produces and distributes low-carbon products to customers, aiming to help Thai society towards sustainable development as part of the organization's sustainable development that helps mitigate and reduce the impact of climate change.



Goal

- Reduce greenhouse gas emissions per production unit Carbon intensity (ton CO₂eq/ton/Year) by 5% compared to the base year (2024)
- Reduce the amount of waste
- Reduce fuel and electricity consumption, resulting in maximum benefits



Operation

- Solar Rooftop Phase 2 installation project with a total capacity of 3 MW
- Use the circular economy principle
- Increase the proportion of clean energy (renewable energy)
- Increase energy efficiency Use of clean/renewable energy
- Improve energy efficiency
- Manage low-carbon supply chains with
- Promote knowledge for all employees to be aware of being a low-carbon organization
- Apply for ISO 14064-1 certification according to international standards



Results of operations

The company has signed an MOU with Bangkok Industrial Gas Co., Ltd. (BIG) and Iwatani Corporation (Thailand) Co., Ltd. to apply innovation and technology to reduce greenhouse gas emissions by installing an on-site gas generation unit in the plant to directly enter the production process, which is an efficient and socially responsible use of the world's limited resources, helping to reduce transportation costs and time, as well as reducing carbon emissions from the transportation sector by more than 800 tons CO₂eq per year and reducing greenhouse gases to solve the problem of global warming in another way. The installation is complete and has been used since mid-2024.



Project of On-site Gas Generation Unit

The company has joined the research, development, and engineering (RD&E CO-RESEARCH CONTRACT) project “Establishment of an environmental database of the aluminium industry group to support the Carbon Border Adjustment Mechanism (CBAM) measure” with the National Science and Technology Development Agency, the National Metal and Materials Technology Center, and the Federation of Thai Industries, the aluminium industry group and the Federation of Thai Industries to be a pilot project in the industrial sector to establish a central database of Life Cycle Assessment (LCA) or the assessment throughout the life cycle of aluminium products for Thailand systematically. The project has been completed and has obtained the national average value as intended..



Project of Carbon Border Adjustment Mechanism (CBAM)

The company has applied for ISO 14064-1 certification, which has been operating in accordance with the requirements, with a GHG emission rate per production volume (carbon intensity) equal to 6.6698-ton CO₂eq/ton/year (Scope 1, 2, 3), which specifies the GHG emission data for 2024 as the base year for this ISO 14064-1 standard.

Type	Carbon Footprint for Organization					Carbon intensity (Scope 1+2)				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Direct greenhouse gas emissions of scope 1	19,290	10,198	17,715	17,161	13,200	1.96	1.48	1.39	1.72	1.20
Indirect greenhouse gas emissions of scope 2	16,955	11,177	16,378	15,847	12,937					

Direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions from energy use (Scope 2) for 2020 – 2024

The results of the operation to reduce greenhouse gas emissions in 2024 showed a decrease in greenhouse gas emissions per production volume (carbon intensity) from 2023 by 38.90 per cent from the project to reduce energy consumption within the organization and the increased production volume from the previous year, resulting in a decrease in greenhouse gas emissions.

In 2024, the company was audited by TUV NORD Thailand Co., Ltd., which has internationally recognized standards and is registered as an auditor and auditor of greenhouse gas emission reports of the organization according to the international standard ISO 14064-1, which is a positive result that will drive continuous actions to reduce greenhouse gas emissions in accordance with the organization's greenhouse gas emission reduction policy.

In 2024, there were 2 projects to reduce energy in electricity and heat, which resulted in a reduction of greenhouse gases. The measures are as follows:

Measure 1: Install a 2.1094 MW extended solar rooftop, which reduces greenhouse gases by 1,480.680 tons of carbon dioxide equivalent per year. The company will receive carbon credits for reducing carbon dioxide emissions by 5% of the total greenhouse gases, according to the agreement, which will reduce 74.034 tons of carbon dioxide equivalent per year.

Measure 2: Change to a non-heat chemical system (from boiling to non-boiling), reducing greenhouse gases by 175.413 tons of carbon dioxide equivalent per year.

The implementation of both measures can reduce greenhouse gases by another 1,656.093 tons of carbon dioxide equivalent per year. The company will continue to focus on continuously managing greenhouse gas emissions reduction following international standards.



Waste Management

The company has a waste and waste management system that complies with relevant regulations and laws to reduce environmental impacts following the ISO 14001:2015 environmental management system and the circular economy by separating waste into 2 types: hazardous waste and non-hazardous waste. The company has waste management operations as follows:



Goals:

- 100% reuse of aluminium scraps
- Waste disposal following relevant regulations and laws
- Waste management based on the circular economy principles, such as Refea, Maintenance, Reuse/redistribute, Refurbish/Remanufacture, Recycle, Technical cycles, etc.



Operations

- Establish aluminium spray paint standards to separate aluminium types from each other for easy use
- Select only authorized disposal contractors from the Department of Industrial Works who have the right to dispose of waste. Including tracking waste from the company to the waste disposal site to check the disposal capability of the disposal contractor.
- Establish measures to control the disbursement of consumables, such as personal protective equipment (PPE) and production aids, by controlling their use according to their maximum service life and controlling the return of consumables before disbursement.
- Establish procedures for the disposal and sale of waste in an orderly manner so that the practice is in line with the same guidelines.
- Train all employees on waste separation to make them aware of waste management within the factory and have them separate waste into the correct categories.
- Determine the types of wood that can be reused and assign responsible departments to ensure that they comply with the regulations.



Operation Results

Type of waste	Goal	Operation	Performance
Non-hazardous waste	Aluminium scrap from the production process	Used in the production process and sale of some aluminium without an order	Aluminium scrap used in the process, 3,739,470.5 kg., can be recycled or sold 100%
Non-hazardous waste	Scrap from repairs, packaging from the manufacturing process, or steel casings	Dispose of to legal disposal contractors	Scrap volume 80,175 kg., 100% sold for recycling
Non-hazardous waste	Packaging scraps such as corrugated paper wrapped in coils, plastic wrapped in coils, plastic straps, paper sleeves	Dispose of to a legal disposal contractor	Amount of packaging scraps 68,710 kg. 100% sold for recycling
Non-hazardous waste	Wood scraps from Coil placement that are purchased	Reused and disposed of to the disposal contractor	1. Bring the wooden pallets for placing Coils back to be processed into wooden pallets for placing Coils and delivered to customers 2. Sell to the disposal contractor who can use it as 100% usable fuel
Non-hazardous waste	Sludge from wastewater treatment	Dispose of by legal disposal contractor	Landfill and mix with other ingredients, 17,452 kg.
Hazardous waste	Used Diatomite	Dispose of by legal disposal contractor	Incinerate as fuel 100% because it contains oil
Hazardous waste	Contaminated waste	Dispose of to a legal disposal contractor	Incinerate as fuel and some are separated and buried, totaling 42,160 kg.
Hazardous waste	Packaging containers such as gallons, drums, 200-liter plastic drums contaminated with chemicals	Dispose of them to legal disposal contractors for further use	1. 200-liter plastic drums, 1,494 kg. 2. 200-liter steel drums, 7,182 kg. 3. Gallons, 1,726 kg. 4. Drums, 500 kg. Dispose of them by washing and reusing them. The water from washing is treated before being released according to the disposal contractor's method.
Hazardous waste	PVC sheath	Dispose of to a legal disposal contractor	100% re-melted, 435 kg.
Hazardous waste	Used rolling oil	Dispose of to a legal disposal contractor	Reused as fuel mixture, 8,800 liters.
Hazardous waste	Dross	Dispose of to a legal disposal contractor	Sold to be melted back into Aluminium, 30%, amounting to 62,356 kg. and the remaining 70% is buried according to the law. The average amount buried is 43,649.2 kg.

3.4 Sustainability management in social dimensions

3.4.1 Social policies and practices

Varopakorn Public Company Limited has the policy to conduct business with Corporate Social Responsibility (CSR) with awareness and emphasis on supporting ongoing environmental conservation and energy conservation activities, by adhering to the principle of doing business with transparency, accountability, ethics, respect for human rights and interests of stakeholders such as customers, shareholders, employees, surrounding communities, business partners, government agencies, including society and the nation Comply with legal requirements and/or universal principles including against all forms of corruption.



The company carries out activities with society, community, and the environment, by participating in the project to promote industrial factories for social responsibility and sustainable communities (CSR-DIW) for the year 2021 with the Department of Industrial Works, and passed the consideration by receiving a certificate and a plaque for the CSR-DIW Award for the year 2021 and continuing until current, the company continues to practice social and community responsibility in cooperation with the government and community so that the surrounding communities


are located to have a better quality of life as well as respecting participation in local traditions that various organizations have established in the vicinity It also provides a channel for receiving complaints if the community is affected in any way due to the Company's business operations. In the past year, the Company has not received any complaints related to environmental impact from communities and neighboring companies.

Responsible production and service to customers

The company is committed to be an importer of Aluminium ingots for processing into various Aluminium products. as raw materials for sale to other manufacturers, which will be used to produce products or be a component to produce other types of products to the satisfaction and confidence of the Company's customers to receive quality products on time, maintain good relationships and conduct business together with fairness, full accurate information about products and services is disclosed, warranty is provided under appropriate terms and conditions, organize a system so that customers and all related parties can make complaints about products and services as well as being sincere and trying to deal with complaints and shortcomings, do not trade unreasonably and impose unfair trading conditions to customers maintain customer confidentiality and do not use the information for personal gain.

3.4.2 Social Performance

The company has carried out activities to create good relations in coexistence between companies and nearby communities on a regular basis, and share the leftover materials from various production by being used to make cleaning equipment. Or donate to the community for further use. which is a collaboration of all sectors to develop a community or society sustainably, such as

 **Children's Day gift-giving activity to nearby agencies and communities** on January 13, 2024. Children's Day gift-giving activity to community representatives and villages to support activities to build skills, promote equality and opportunities for children, promote happiness, and develop the quality of life of children in the community, including building good relationships between the organization and the community.



Support activities for Children's Day activities for nearby communities by donating money and items to community representatives.

Blood Donation Volunteer Project One person for many to receive to save the lives of fellow human beings.

The company has regularly conducted blood donation activities every quarter to be a part of providing blood to hospitals that need blood to save the lives of patients in need. It also creates awareness for employees to participate in helping society and supports an organizational culture that is responsible and kind to others. The activities have been continuously carried out every 3 months, which has been carried out continuously for 5 years. In 2024, there were 3 donations as follows: 1st time on February 29, 2024, 2nd time on August 29, 2024, 3rd time on November 28, 2024, and there is a policy to continue this activity.



Blood donation activity

Volunteer project to improve the landscape around Khlong Kao Intersection, Phraeksa Mai Subdistrict, Bang Pu District, Samut Prakan Province, on April 10, 2024.

The company, together with Bang Pu Police Station, carried out volunteer activities to improve the landscape that is at risk of accidents before the Songkran Festival 2024 by jointly supporting equipment and cleaning the surrounding roads, painting black and white and white and red barriers and road edges around Khlong 9 Intersection.



Activities to help clean and improve the landscape of public places

Community relations activities around the factory.

The company has carried out the process of transforming waste materials from the production process, such as scrap wood pallets, empty drums, etc., into usable items and giving some of the scraps to villagers and nearby communities for further use.



Donating wood scraps left over from the production process to local people in nearby communities for use

Organize Kathin activities with nearby temples on October 27, 2024, the company organized a Kathin ceremony and a charity kitchen at Wat Tamru, Bang Pu Mai Subdistrict, Mueang District, Samut Prakan Province to participate in the local community, promote culture and religion, and strengthen the relationship between the organization and the surrounding society, including being an activity that helps instill good consciousness in employees.



Kathin Festival Activities

The activity of the tie-dye project to bring hearts to the community at the Ban Thup Hom Samunphrai Community Enterprise, 22 Village No. 3, Bang Nam Phueng Subdistrict, Phra Pradaeng District, Samut Prakan Province, on November 26, 2024, the company organized an activity to learn how to make tie-dye fabrics from natural colours to conserve nature through a production process that does not cause pollution. To promote skills, careers, and the conservation of local wisdom, it supports villagers and employees to have the opportunity to learn new skills, which may be further developed into a secondary career or increase income. It also supports and stimulates the local economy, as well as helps build relationships between the organization and the community, along with the conservation of local culture and promoting economic and environmental sustainability of the surrounding communities.



Activities in collaboration with community enterprises

Reforestation Project, Planting Awareness, Protecting Mangroves, on 26/11/2024, the company carried out mangrove planting activities at Bang Pu Resort, Bang Pu Mai Subdistrict, Mueang District, Samut Prakan Province, with employees and villagers from nearby communities participating in reforestation activities to restore and increase green areas, reduce global warming, help absorb carbon dioxide, prevent coastal erosion, reduce the impact of seawater, and strengthen the ecosystem, increase the habitat of aquatic animals and aquatic life.



Mangrove planting activities

“Turning Waste into Merit” Project Turning Plastic Bottles into Robes, on November 12, 2024, the company organized the “Turning Waste into Merit” Project turning plastic bottles into robes to donate to Wat Jak Daeng, Song Khanong Subdistrict, Phra Pradaeng District, Samut Prakan Province to reduce the amount of plastic waste by recycling it to create new benefits and to support sustainable waste management and reduce the impact on the environment. It also supports religion, helps reduce plastic waste, drives the recycling concept, and creates sustainability awareness among employees and the community.



Turning Waste into Merit

Christmas and New Year's Eve Gift Exchange Event



Christmas and New Year's Eve Activities

Chinese New Year Activities on February 10, 2024



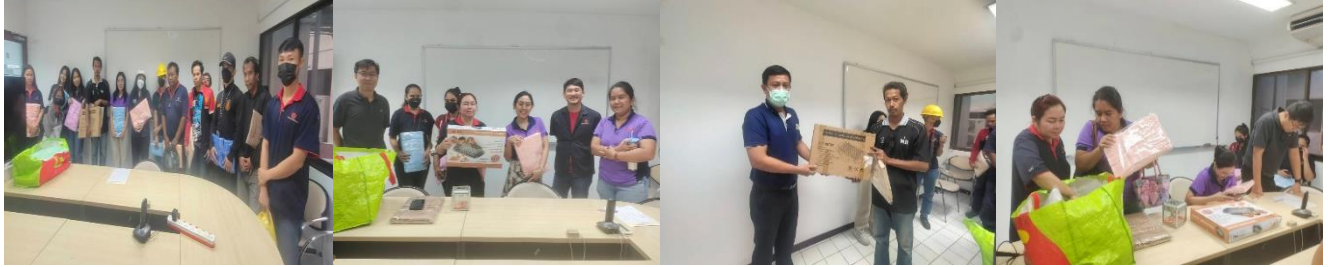
Chinese New Year Activities

Songkran Day activities, on April 12, 2024, have arranged time for employees to participate in activities that continue Thai traditions by organizing a water-pouring ceremony for the company's executives and senior employees, as well as playing with water together.




Songkran Day Activities

 **HAPPY BIRTHDAY Activity for Monthly Employees.** the company has a HAPPY BIRTHDAY activity for employees every month by giving gifts to employees as usual.



Happy Birthday Activity

 **One Team One Goal Seminar Activity,** on September 13-14, 2024 The company organized human resource and organizational culture development activities to strengthen the unity and motivation of employees and create good relationships between employees at all levels, from operational employees to senior executives.



Seminar Activity

Respect for human rights

In the past year, the company has not received any complaints related to human rights violations, treatment of workers, customers, or society and communities which is an unfair advantage that conflicts with the good corporate governance policy and ethics Business records that the company has prepared in any way.

The company believes that an important factor that makes the company successful and drives the business to grow sustainably is conducting business with ethics, and adhering to responsibility for all groups of stakeholders. The company has therefore created a policy to encourage the board of directors, executives, employees, and stakeholders to acknowledge and adhere to practices that are strictly consistent with the law and international principles of human rights to ensure that The company's business operations are free from violations of human rights based on awareness of value and equality

The company does not support child labor. This is specified in the company's staff recruitment regulations, which is a legal practice according to human rights and in line with international practice including relevant laws, train rules, and regulations for security guards (security guards) to perform their duties according to human rights principles, such as search, and announcement of operational procedures for the security guard, does not discriminate against the disabled by employing disabled people to work in the company as well as providing facilities as appropriate and received the Sustainability Model Organization Award in the Thai Capital Market for Supporting Persons with Disabilities 2022 at the Securities and Exchange Commission ("SEC") sustainability. The SEC has formulated a third corporate strategy: enhancing the potential of the capital market for sustainability which is consistent with the 20-year national strategic plan that promotes business awareness and conducting business in accordance with the Sustainable Development Goals (SDGs), in which the Cabinet has established a National Action Plan on Business and Human Rights: NAP, Phase 1 (2019 - 2022) and assigned the SEC to implement the objectives of the previous NAP plan. The SEC focused on Promoting and supporting business sectors in the capital market to continually integrate governance, environment, and social responsibility (ESG) principles, as well as reduce inequality in business operations and drive the NAP plan to achieve its objectives. For this reason, in 2022, on the occasion of the 30th anniversary, the SEC has initiated the project "Prototype Organization Award for Sustainability in the Thai Capital Market for Supporting Persons with Disabilities" in cooperation with partner agencies, namely the Ministry of Labor, Department of Skill Development, Department of Employment, Department of Empowerment, and Development of the Life of Persons with Disabilities, Thai Listed Companies Association, and the Association of Disabled Persons Council of Thailand, to reward agencies in the capital market sector operating in accordance with Section 33 or Section 35 of the Empowerment of Persons with Disabilities Act B.E.2550 to create incentives for enterprises that are ready and capable to provide more support for people with disabilities, concretely and continually promoting the issue of reducing inequalities in persons with disabilities in the Thai capital market as well as showing the commitment to promote ESG for the business sector in the Thai capital market covering all dimensions. The company continues to have a policy of supporting and employing people with disabilities as before, until now there are 4 people, divided into 2 men and 2 women.

The type of award received is an Outstanding Award: an award given to a company that operates in relation to persons with disabilities under Section 33 or Section 35, not less than the legal requirement for more than 1 year.



the Sustainability Model Organization Award in the Thai Capital Market for Supporting Persons with Disabilities 2022

Fair treatment of labor

The Company has the policy to encourage employees at all levels to attend internal and external training and seminars to develop The quality and potential of employees' work consistently, training and seminar topics in 2022, and the number rate of workplace accidents of employees in 2022 (references already disclosed in other sections) and received an award in the project to develop and enhance happiness to become a health organization and continue to practice it continuously.



Awards received

Safety, Occupational Health, Security and working environment



Safety, Occupational Health and Working Environment Policy

The company is committed to managing safety, occupational health, and the working environment to protect the safety, occupational health, and working environment of employees in the establishment and to ensure effective compliance with safety laws. Therefore, the following policies have been established:

1. Determining that work safety is the first responsibility of all employees.
2. Supporting and promoting the improvement of working conditions, environment, and working methods, as well as personal safety equipment, to ensure the safety and the health of all employees and to continuously improve them.
3. Supporting and promoting safety activities to help stimulate employees' safety awareness.
4. Committed to complying with laws, regulations, and standards, including customer safety policies and requirements regarding safety, occupational health, and working environment.
5. Supervisors at all levels must act as good examples, be leaders, and train and instruct employees to work safely.
6. All employees must take into account their own safety, that of their colleagues, and the company's property at all times while working.
7. All employees must maintain cleanliness and orderliness in the work area.
8. All employees must cooperate in the company's safety and occupational health projects and have the right to offer opinions on improving working conditions and working methods to be safe.



Goal

Reduce the number of incidents of Zero Accident

By setting the performance indicator or success indicator (Key Performance Indicator: KPI) for all employees in all departments. The accident must be zero.



Strategy and Operation Plan

1. Comply with relevant laws, regulations, and rules, including the requirements of the safety and environment management system.
2. Project to reduce the risk of occupational hazards and accidents.
3. Project to promote occupational hygiene and disease prevention.
4. Improve the working environment to be safe and hygienic.
5. Create and promote safety awareness for employees and those involved in monitoring and measuring the quality of the environment in the workplace.

The company operates an aluminium production business. In each production process, large machinery and tools are involved. Employees are key personnel in controlling the production of products to meet the quality that customers want. In the operation, the company prioritizes safety and promotes occupational hygiene and equality for both employees and subcontractors, including overtime employment. Work safety is the duty and responsibility of all employees.

The company attaches great importance to safety and health care at work, and equality for all employees and subcontractors including part-time employment safety at work is the first duty and responsibility of all employees. The company encourages employees to be aware of working with safety, provide support for various resources appropriately involved in the implementation including supervision and knowledge, establish preventive measures, monitor and evaluate the performance regularly to ensure that systems and measures can be used effectively, safety in every step of the operation as well as set guidelines for operating safety and good hygiene for employees. The company has provided safety equipment for employees, regular inspections of the safety of the premises, and work to develop accident prevention and emergency response plan, chemical storage, and handling plans, hazardous substances and waste organize, fire drills, evacuate the fire from the factory, emergency drill for chemical spills and annual radiation leak emergencies to build confidence and guidelines for employees when an incident occurs. In addition, the company has prepared annual accident statistics by setting a target of "zero" occupational accidents to raise safety standards to meet the criteria prescribed by law.



Hygiene Promotion Project, Occupational Disease Prevention and Epidemic Situation



Annual health check-up project for all employees, covering general health programs and risk factors to monitor occupational diseases and improve the hygienic working environment. In 2024, 269 employees, or 92.44% of all employees, received health check-ups.



The "Goodbye Fat Belly" project encourages employees to lose weight for good health, with prizes to encourage those who lose the most weight and those who lose the most weight. There were 44 participants out of 281 employees, or 15.66%. The winners who lost the most weight lost 11.13% and the most weight, 7.45 kilograms.



Improving the working environment

• Conduct safety patrol activities every week to inspect the work area and search for risk points that may cause accidents. Then summarize the results and present them to the Safety Committee meeting to report the deficiencies and inform the relevant persons to take corrective action, with a professional safety officer following up on the progress until the correction is complete.



Creating and promoting a culture of safety for employees and stakeholders

The company manages occupational health and safety by following the standards and laws to develop and promote knowledge of safe work for employees and stakeholders.



A professional safety officer is responsible for monitoring legal information and other related regulations, reviewing and improving it to be current, and assessing compliance with the law twice a year to reduce legal inconsistencies.



Organizing an annual safety training plan continuously, covering general knowledge, basic fire drills, annual fire escape drills, and specialized knowledge in high-risk hazardous work and chemical work that requires constant review of knowledge. In 2024, the company organized training to promote safety, including

1. Organizing a review and rehearsal of emergency prevention and suppression plans at least once a year. In 2024, the main training and rehearsals were conducted. 1) Basic fire drills and fire escape drills, with a total of 282 participants; 2) emergency drills for chemical spills; 3) emergency drills for aluminium spills; and 4) emergency drills for radiation leaks.
2. Organizing training for executive-level safety officers. There were 23 participants in total.
3. Organized a training course on electrical work for employees who work on electrical work, with 16 participants in total.
4. Organized a training course on how to drive a forklift correctly and safely, with 20 participants in total.
5. Organized a training course on crane safety, with 8 participants in total.



Monitoring the quality of the environment in the workplace

Monitoring the quality of the environment in the workplace includes monitoring the quality of the environment twice a year and conducting an Environmental Impact Assessment (EIA) once a year. In 2024, the measurement results passed the specified standard criteria.



Performance

Employee work accident rate

List	Year 2024 (number of cases)	Year 2023 (number of cases)	Year 2022 (number of cases)
Total number of accidents	5	8	8
number of work injuries	2	1	1
The number of accidents leading to time off work	3	7	7
Accident statistics or Lost Time Rate			Year 2024
Work Injury Rate I.F.R. Times/Million Hours	5.97		
Lost Time Injury Rate I.S.R. Days/Million Hours	142.11		
Lost Time Injury Rate (LTIFR) Times/Million Hours	3.58		
Number of Work-Related Fatalities	0		

According to the number and rate of work-related accidents among employees in 2023, work-related accidents did not meet the target. Compared with the accident rate from work of employees in 2021 and 2022, it was found that the accident rate in 2023 has not decreased and the number of accidents causing lost time is still at a level that needs to be improved. The company is not complacent about the accident that occurred, the relevant parties were summoned to a meeting to review the cause of the accident, as well as look for more intensive measures to control and prevent accidents includes the management having a policy to promote and push safety to be the number one priority in order to become a standard and consistent with the goals.

Conducting business with fairness

According to the company has conducted a survey of customer satisfaction with the quality of products and services by surveying the opinions and experiences of 24 customers who ordered products from the company in 2024, with the subject of evaluation from product quality, Delivery, Sales & Marketing, Technical service found the criteria for satisfaction in the year 2024 are as follows:

No.	Score	Satisfaction level	Number of customers (case)	% of all customers
1	41-50	Highest level	15	50.00%
2	31- 40	High level	6	20.00%
3	21 - 30	Moderate level	0	6.67%
4	11 - 20	Low level	0	-
5	< 10	Level should improve	0	-
6	NA	Not replying	9	30.00%
Total			30	100%

The satisfaction level is categorized into 5 levels: excellent, very good, good, moderate and needs improvement.

Satisfaction Scores Most High 5, Great 4, Good 3 Fair 2, Needs Improvement 1

Setting the criteria for satisfaction goals and the result of the total score obtained details are in the table below.

Objective		Target	Heading	Assessment results
Customer Satisfaction Survey	1. All surveyed customers	$\geq 70.00\%$	All surveyed customers	30
			surveyed customers	21
			% of customers who submitted surveys	70.00
	2. Customers surveyed Grade A and Grade B combined	$\geq 85.00\%$	Grade A rating customers (cases)	15
			Customers assessed grade B (cases)	6
			%Survey Grade A and Grade B	86.57%

When comparing customer satisfaction with the year 2023, the percentages are as follows:

1. Total of 30 surveyed customers and the survey responses are equivalent to 2023.
2. Customers surveyed for Grade A and Grade B combined increased 3.34%.

Corporate Social Responsibility (CSR)

The Company has a strong business policy to operate under corporate social responsibility (Corporate Social Responsibility: CSR) with awareness and emphasize to continuously support environmental protection and energy conservation activities. The principles running business are ethics, transparency, auditable, respect for human rights and the interests of stakeholders, such as customers, shareholders, employees, communities, partners, government agencies, society and the nation. The company also has an adherence to comply with the requirements of the law and/or international, including against all forms of corruption.

Corporate governance: To manage with good corporate governance, conduct business by committed to build credibility with investors and stakeholders, add value and promote the sustainable growth of the organization.

Environmental protection and conservation of energy: The Company has a clear environmental and energy conservation policy, and implement strictly by laws and environmental standards, ISO 14001 environmental management system, to eliminate environmental problems systematically and efficiently. The company keeps measuring and monitoring environmental affect from the operation, Environmental Impact Assessment (EIA), environmental impact analysis both positive and negative affect to improve and develop even joining up with government programs for energy conservation and environmental protection industries.

Fair conductivity: The Company is committed in conducting business with a fair and ethical manner, comply with law and respect to the rules of society.

Respect of Human Rights: The basic of human rights is crucial to promote respect for the rights and freedom, discrimination, promote equality, not sexist and racist, no child labor and against all forms of corruption.

Fair treatment to workers: The Company supervises payroll, compensation and other facilities to be at the appropriate level comparing to the industry under the framework of the law. The company has a welfare Board so that employees can involve in the administration of employee welfare to focus on the care, safety and hygiene at work. The company also has a committee of safety, health and environment in the factory to handle operation with safe and good hygiene to employees. We provided training in basic firefighting, fire evacuation drills, medical examination in annually, safety inspections of the workplace, installation of fire alarms, create a safe working environment for employees, visitor as well as the knowledge of the training workshop, recreation such as Management meeting & training, soccer mathes, labour day's tourism, making merit with and

present food alms to a Buddhist, giving parties, giving out prizes, New Year's Eve, giving out birthday presents, and Labor Day tourism activities.

Relationships with customers and partners: The Company focuses on quality, standard product and safety for customer satisfaction. Therefore it is opened for any complaints, conduct for customer satisfaction survey, seek for defect modification that might occur from the manufacturing, and/or services. Meanwhile, it is expected for the company to receive good product and services in the same manner from partners to meet the terms of trade and maintain good relations and sustainability. It received the award for the best performance in the region from customers..

Donations for various charities: In addition to perform social responsibility on the part of normal business operations (in process), the company has performed beyond normal business operations (after process) with a donation of money/property to the public charity through various government agencies and charities as well as charity events such as giving gifts on Children's Day to surrounding communities Blood Donation for the Thai Red Cross Society Kathin Ceremony.

4. Management Discussion and Analysis : MD&A

Overview of Operating Performance

	FY 2024	FY 2023	Change YOY
Sales Revenue	2,971	2,510	461
Gross Profit	232	35	197
Gross Profit Ratio (%)	8%	2%	6%
Other Revenues	17	7	10
Selling & Admin. Expenses	(103)	(95)	(8)
Financial Costs	(55)	(53)	(2)
Gain (Loss) on Exchange and Derivative Revaluation	40	(4)	44
Net Profit	130	(109)	239
EPS	1.3	(1.09)	2.39

In fiscal year 2024, the company achieved total sales revenue of THB 2,970.71 million, marking an 18.4% increase compared to THB 2,509.76 million in the prior year. This growth was driven by an expanded customer base and an increase in production capacity during the second half of the year.

Net profit reached THB **130.43** million in 2024, a remarkable turnaround from the net loss of THB (108.51) million in 2023, reflecting business turnaround strongly. This improvement is primarily attributed to:

- Change of product mixes for contribution margin improvement
- Enhanced cost management practices
- Reduce production losses effectively
- Favorable foreign exchange impacts

Analysis of Operating Performance

❖ **Sales Revenue**

Sales revenue increased by THB 460.95 million or 18.4% from THB 2,509.76 million, in 2023 to THB 2,970.71 million in 2024 due to:

- A surge in demand in the air-conditioning industry
- Price adjustments aligned with rising raw material costs
- Expansion into new market segments, particularly to automotive sector
- Increased production capacity and efficiency of production processes
- Exchange rates that are favorable to the Company

❖ **Cost of Goods Sold**

Cost of goods sold (COGS) rose by **10.67%** to THB **2,738.63** million. Despite this, the gross margin improved significantly—up to **7.81%** from 1.4% in 2023, as the results of:

- Effective negotiations with suppliers to reduce raw material costs
- Increased production efficiency
- Energy & maintenance cost reduction

❖ **Selling, General & Administrative Expenses**

Total SG&A expenses amounted to THB 103.59 million, a modest increase of 4.5% compared to the previous year, consisting of:

- Higher marketing expenditures aimed at expanding the customer base
- Investments in ERP systems and IT infrastructure enhancements

❖ **Other Income and Exchange Gains**

- Exchange gains reached THB 40.91 million, a substantial improvement from THB 7.14 million in 2023 because of THB depreciation against major currencies.
- Other incomes, i.e. by product sales of THB 17.22 million—up from THB 7.44 million in the previous year

❖ Finance Costs

Finance costs for 2024 were THB 54.56 million, slightly increased from THB 53.17 million in 2024, reflecting the company's efficient financial management.

Financial Position Analysis

❖ Assets

As of 31 December 2024, total assets amounted to THB **2,506.31** million, increased 19.40% from THB 2,099.06 million in 2023.

Key changes include:

- **Cash and Cash Equivalents:** Increased to THB 72.21 million from THB 1.29 million
- **Trade Receivables:** Rose by 57.6% to THB 734.78 million due to higher sales volumes
- **Inventory:** Increased by 19.2% to THB 855.10 million in anticipation of increased sales

❖ Liabilities

Total liabilities reached THB 1,604.35 million, increased 21% from THB 1,327.52 million in 2023. The main contributing factors were:

- An increase in accounts payable increased 70.2% to THB 388.20 million
- A rise in Trust Receipts to THB 873.78 million, up by 24.5%

❖ Shareholders' Equity

Shareholders' equity increased 16.91 % to THB **901.96** million from THB 771.53 million, primarily reflecting the turnaround in net profit.

Cash Flow Analysis

- **Operating Activities:** Net cash provided by operating activities was THB 10.59 million, down from THB 64.89 million in 2023, primarily due to increased trade receivables and inventories.
- **Investing Activities:** Cash used in investing activities amounted to THB (38.85) million, mainly due to investments in machinery improvement and computer software.
- **Financing Activities:** Cash generated from financing activities was THB 99.18 million, driven by an increase in Trust Receipts and repayment of long-term loans.

Overall financial status

- Liquidity remains tight, with a liquidity ratio increasing from 1.05 to 1.14
- Total debt to equity ratio increasing from 1.72 to 1.78
- Profitability ratio is positive, with a profit margin of 4.31
- Return on equity and total assets at 15.59% and 5.66%, respectively
- Average collection period is 74 days, up from 71 days
- Debt payment period increased from 141 days to 145 days

Risk Factors and Future Outlook

❖ Risk Factors

- **Raw Material Price Volatility:** The fluctuation of global market prices for Aluminium may affect production costs.
- **Foreign Exchange Risk:** The company's exposure to multiple currencies may result in gains or losses due to exchange rate movements.
- **Competitive Environment:** Intensified competition from major international players poses ongoing challenges.

❖ Outlook for 2025

- The company forecasts revenue growth of 10–15%, driven by further expansion into international markets as well as continuous cost reduction for competitive advantage.
- Plans are underway to enhance production efficiency to reduce unit costs.
- Strategic initiatives include the implementation of AI and new production technologies
- Risk management on currency exchange & raw material cost.

Table : Statement of Financial Position Comparison of the past 3 years

Summary of financial statements	2567	อัตรา %	2566	อัตรา %	2565	อัตรา %
Assets						
Current assets						
Cash and cash equivalents	72,206,559.83	2.88	1,291,614.20	0.06	44,862,267.46	1.92
Investments in trading securities						
Trade receivables						
Related companies	215,871,238.13	8.61	141,660,029.95	6.75	231,414,297.14	9.91
Unrelated Company - Net	518,908,674.86	20.70	324,541,261.77	15.46	275,427,800.79	11.79
Trade receivables - net	734,779,912.99	29.32	466,201,291.72	22.21	506,842,097.93	21.69
Inventories - net	863,267,581.09	34.44	717,088,746.44	34.16	819,699,896.45	35.09
Other current assets						
Input tax refundable	47,056,608.08	1.88	65,964,981.87	3.14	56,649,338.94	2.42
Corporate income tax refundable		0.00		0.00		0.00
Derivatives assets	0.00	0.00		0.00		0.00
Others	11,535,932.30	0.46	12,561,258.87	0.60	10,203,995.12	0.44
Total current assets	1,728,846,594.29	68.98	1,263,107,893.10	60.18	1,438,257,595.90	61.56
Non-current assets						
Restricted bank deposits	400,000.00	0.02	400,000.00	0.02	400,000.00	0.02
Property, plant and equipment - net	776,260,004.47	30.97	834,310,948.98	39.75	895,925,317.01	38.35
Other non-current assets						
Deferred technical assistance fee						
Deposit for the purchase of machinery		0.00		0.00		0.00
Intangible assets	743,179.73	0.03	871,941.32	0.04	1,222,910.38	0.05
Deferred tax assets		0.00		0.00		0.00
Other non-current assets	65,000.00	0.00	365,000.00	0.02	509,500.00	0.02
Total non-current assets	777,468,184.20	31.02	835,947,890.30	39.82	898,057,727.39	38.44
Total assets	2,506,314,778.49	100.00	2,099,055,783.40	100.00	2,336,315,323.29	100.00
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	170,252,060.37	6.79	219,198,028.90	10.44	225,068,888.46	9.63
Accounts payable - trust receipts	873,779,585.54	34.86	701,751,038.88	33.43	733,750,760.98	31.41
Trade payables - related parties						
Trade payables						
Related companies	6,428.77	0.00	0.00	0.00	561,839.37	0.02
Unrelated Company	377,955,391.82	15.08	217,096,308.99	10.34	260,866,915.65	11.17
Total trade payables	377,961,820.59	15.08	217,096,308.99	10.34	261,428,755.02	11.19
Other trade payables - related parties						
Related companies		0.00		0.00		0.00
Unrelated Company		0.00		0.00		0.00
Current portion of long-term loans	25,200,000.00	1.01	25,788,000.00	1.23	33,540,000.00	1.44
Portion of liabilities under finance lease agreements due within one year	979,701.33	0.04	926,105.52	0.04	875,444.13	0.04
Derivative liabilities	1,458,529.33	0.06	11,144,346.00	0.53	24,787,425.88	1.06
Other current liabilities						
Accrued corporate income tax		0.00		0.00		0.00
Accrued expenses		0.00		0.00		0.00
Account payable from purchases of machinery and equipment	10,235,582.41	0.41	10,933,782.77	0.52	10,741,969.70	0.46
Accrued expenses for repairing machinery damaged by fire						
Others	54,006,228.18	2.15	12,830,623.40	0.61	8,942,626.05	0.38
Total current liabilities	1,513,873,507.75	60.40	1,199,668,234.46	57.15	1,299,135,870.22	55.61
Non-current liabilities						
Long-term loans, net of current portion	36,400,000.00	1.45	61,600,000.00	2.93	87,388,000.00	3.74
Finance lease liabilities - net of portion due within one year	1,741,951.04	0.07	2,721,652.37	0.13	3,647,757.89	0.16
Deferred government grants	1,266,440.27	0.05	1,546,426.03	0.07	1,913,884.75	0.08
Provision for long-term employee benefits	15,896,171.88	0.63	26,981,324.92	1.29	30,127,422.92	1.29
Deferred tax liabilities	35,173,809.47	1.40	35,006,128.27	1.67	35,643,667.39	1.53
Total non-current liabilities	90,478,372.66	3.61	127,855,531.59	6.09	158,720,732.95	6.79
Total liabilities	1,604,351,880.41	64.01	1,327,523,766.05	63.24	1,457,856,603.17	62.40
Shareholders' equity						
Share capital						
Registered						
100,000,000 ordinary shares of Baht 5 each	500,000,000.00		500,000,000.00		500,000,000.00	
Issued and fully paid						
99,902,123 ordinary shares of Baht 5 each	499,510,614.96	19.93	499,510,614.96	23.80	499,510,614.96	21.38
Share premium	374,400,000.00	14.94	374,400,000.00	17.84	374,400,000.00	16.03
Retained earnings						
Appropriated - statutory reserve	50,000,000.00	1.99	50,000,000.00	2.38	50,000,000.00	2.14
Unappropriated	- 178,738,376.88	-7.13	- 309,169,257.61	-14.73	- 202,242,554.84	-8.66
Other components of equity	156,790,660.00	6.26	156,790,660.00	7.47	156,790,660.00	6.71
Total shareholders' equity	901,962,898.08	35.99	771,532,017.35	36.76	878,458,720.12	37.60
Total liabilities and shareholders' equity	2,506,314,778.49	100.00	2,099,055,783.40	100.00	2,336,315,323.29	100.00

Table : Income statement comparing past 3 years

Summary of financial statements		2567	อัตรา	2566	อัตรา	2565	อัตรา
		บาท	%	บาท	%	บาท	%
Revenues							
Sales		2,970,710,843.27	98.08	2,509,760,126	99.42	3,754,757,041	99.79
Other income							
Unrealised derivatives gain			0.00		0.00		0.00
Reduced interest on the loan							
Compensation for machinery damaged on fire							
Gain on exchange		40,911,146.00	1.35	7,144,776	0.28		0.00
Gain on sale of assets			0.00		0.00		0.00
Gain on commodity swaps contracts			0.00		0.00		0.00
Gain on derivatives revaluation			0.00		0.00		0.00
Others		17,219,245.00	0.57	7,442,752	0.29	8,076,865	0.21
Total revenues		3,028,841,234.27	100.00	2,524,347,654	100.00	3,762,833,906	100.00
Expenses							
Cost of sales		2,738,629,791.10	90.42	2,474,575,794	98.03	3,658,194,014	97.22
Allowance for diminution in value of inventory (reversal)			0.00		0.00		0.00
Selling expenses		46,468,996.18	1.53	39,818,366	1.58	41,131,608	1.09
Administrative expenses		57,123,366.51	1.89	55,179,964	2.19	55,017,767	1.46
Management remuneration			0.00		0.00		0.00
Loss on exchange			0.00		0.00	6,084,172	0.16
Loss on commodity swap contracts			0.00		0.00		0.00
Loss on derivatives revaluation		1,458,529.43	0.05	11,144,347	0.44	24,787,426	0.66
Total expenses		2,843,680,683.22	93.89	2,580,718,471	102.23	3,785,214,988	100.59
Profit before finance expenses and corporate income		185,160,551.05	6.11	- 56,370,816.76	-2.23	- 22,381,081.47	-0.59
Finance expenses		- 54,561,989.12	-1.80	- 53,172,002.13	-2.11	- 38,329,553.32	-1.02
Profit before income tax		130,598,561.93	4.31	- 109,542,818.89	-4.34	- 60,710,634.79	-1.61
Corporate (income)/expense tax benefit		- 167,681.20	-0.01	1,033,255	0.04	1,917,365	0.05
Profit for the year		130,430,880.73	4.31	- 108,509,564.37	-4.30	- 58,793,270.24	-1.56
Other comprehensive income for the year							
Profit in subsequent periods							
Actuarial gain - net of income tax		0.00	0.00	1,582,861	0.06		0.00
						156,790,660	
Total comprehensive income for the year		130,430,880.73		- 106,926,703.37		97,997,390	
Net profit		1.31		- 1.09		- 0.59	

Table : Statement of Cash Flows Comparison past 3 years

Cash flow statement	2567 บาท	2566 บาท	2022 Baht
Cash flows from operating activities			
Profit (loss) before tax	130,598,562	- 109,542,818.89	-60,710,635
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities :-			
ดอกเบี้ยเงินกู้ยืมที่ได้รับลดหย่อน			
Depreciation and amortisation	96,312,578	108,761,102	96,701,596
Allowance for doubtful accounts			
Allowance for diminution in value of inventories (reversal)	- 7,900,556.00	8,812,772	-2,842,052
Write off machinery, equipment	- 128,049.00	842,992	
Amortization expenses of withholding tax			
(Gain) loss on disposal/write-off of machinery and equipment and vehicles			-467,365
(Gain) loss on disposal/write-off of intangible assets			
Unrealised exchange (gain) loss	- 15,481,608.00	- 7,690.00	-16,290,493
(Gain) Loss from unrealized derivatives			
(Gain) Loss from unrealized commodity swap contracts.			
(Gain) loss on derivatives revaluation	1,458,529	11,144,346	24,787,426
Income from government grant	- 279,986.00	- 367,458.00	-367,459
Finance expenses	54,561,989	53,172,002	38,329,553
Amortized interest under finance lease agreements			
Amortization of other current assets			
Loss on disposal of fixed assets			
Loss (gain) from disposal of fixed assets			
Provision for long-term employee benefits	3,696,916	2,335,050	2,881,515
Profit from operating activities before changes in operating assets and liabilities	262,838,375	75,150,298	82,022,087
Operating assets (increase) decrease			
Trade receivables	- 267,536,522.00	29,672,167	35,334
Inventories	- 138,278,278.00	93,798,378	576,871,463
Other current assets	19,933,702	- 11,632,738.00	104,212,414
Other non-current assets	300,000	144,500	340,000
Operating liabilities increase (decrease)			
Trade payables	161,001,957	- 45,333,737.00	-211,675,700
Other payable - related companies			
Accrued expenses			
Accounts payable for the purchase of machines and factory equipment			
Other current liabilities	41,175,605	- 20,939,598.00	-118,219,524
Other non-current liabilities		- 3,502,571.00	-2,832,044
	- 14,782,069.00		
Cash flows from operating activities	64,652,770	117,356,699	430,754,030
Cash paid for interest expenses	- 54,062,199.00	- 52,467,491.00	-38,198,286
Cash paid for interest expenses			
Net cash flows from operating activities	10,590,571	64,889,208	392,555,744
Cash flows from investing activities			
Decreased (increased) in deposit for machinery			-400,000
Decreased (increased) deposit for purchase of machinery		- 47,719,342.00	-44,845,005
Acquisition of machinery and equipment	- 40,403,651.00		542,776
Proceeds from sales of machinery and vehicle	1,814,411	357,785	
Acquisition of intangible assets	- 264,600.00	- 277,200.00	-459,750
Proceeds from the sale of intangible assets			
Proceeds from government subsidies			
Net cash flows used in investing activities	- 38,853,840.00	- 47,638,757.00	-45,161,979
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	- 48,945,969.00	- 5,870,859.00	134,343,578
Increase (decrease) in accounts payable - trust receipts	174,838,290	- 20,534,801.00	-413,147,966
Repayment of long-term loans	- 25,788,000.00	- 33,540,000.00	
Proceeds from long-term loans			-33,540,000
Payment of debt under the lease agreement	- 926,106.00	- 875,444.00	-316,798
Repayment of liabilities under finance lease agreements			
Dividend payout			
Net cash flows used in financing activities	99,178,215	- 60,821,104.00	-312,661,186
Net increase (decrease) in cash and cash equivalents	70,914,946	- 43,570,652.99	34,732,579
Cash and cash equivalents at beginning of year	1,291,614	44,862,267	10,129,688
Cash and cash equivalents at end of year	72,206,559.74	1,291,613.81	44,862,267
Supplemental cash flows information			
Non-cash items			
purchase of machinery and equipment - undue	9,668,424.00	10,517,440.00	0
Vehicles acquired under a finance lease			
Stock dividend			
accrued dividends	-	-	0
Transfer deposits for machines and equipment			
Assets acquired under lease agreements			4,840,000

Table : Financial ratios comparing past 3 years

Important financial ratios		2024	2023	2022
Liquidity Ratio				
liquidity ratio	time(s)	1.142	1.053	1.107
Quick Ratio	time(s)	0.53	0.39	0.42
cash flow liquidity ratio	time(s)	0.01	0.05	0.25
Accounts Receivable Turnover Ratio	time(s)	4.94	5.14	7.34
Average collection period	day(s)	74	71	50
Average product turnover ratio	time(s)	16.79	14.77	7.36
Average sales lead time	day(s)	21.74	24.70	49.56
Payable turnover ratio	time(s)	2.52	2.58	2.77
Repayment period	day(s)	144.71	141.20	131.59
Cash Cycle	day(s)	(49.02)	(45.53)	(32.27)
Profitability Ratio				
Gross margin	%	0.08	0.01	0.03
Operating Profit Ratio	%	0.04	(0.02)	0.00
Other margin	%	0.01	0.00	0.00
Cash-to-profit ratio	%	0.06	(1.15)	(17.54)
Net profit margin	%	0.04	(0.04)	(0.02)
Return on Equity	%	0.16	(0.13)	(0.07)
Efficiency Ratio				
Return on Assets Ratio	%	0.06	(0.05)	(0.02)
Return on Fixed Assets	%	0.28	0.00	0.05
Asset Turnover	time(s)	1.32	1.14	1.45
Financial Policy Ratio				
Debt to Equity Ratio	time(s)	1.78	1.72	1.66
Interest Coverage Ratio	time(s)	0.81	(0.24)	(9.29)
Ability to settle obligations	%	40.02	1.35	8.66
Dividend payout ratio	%	-	-	-
EBITDA	%	0.07	0.00	0.01

5. General information and other important information**5.1 General information****Auditor**

EY Office Limited

33rd Floor, Lake Rajada Complex Building, 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110

Tel. 02-264 9090, Fax. 02-264 0789 – 90

Website: <http://www.ey.com>**Securities Registrar**

Thailand Securities Depository Co., Ltd.

1st Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400

Tel. 02-009 9000 Fax. 02-009 9991

SET Contact center: 0 2009-9999

Website: <http://www.set.or.th/th/tsd>E-mail: srg_tsd@set.or.th**5.2 Other Important Information**

- None -

5.3 Auditor Disputes

- None -

5.4 Secondary Market

- None -

5.5 Regular contact financial institutions

- None -

(only if the company issues debt instruments)

Part 2 Corporate Governance

6. Corporate Governance Policy

In the Code of Best Practices for Directors of Listed Companies (Code of Best Practices), which is a guideline of the Stock Exchange, the company and the company's directors have used it as a guideline to comply with the Code of Best Practices for Directors of Listed Companies as determined by the Stock Exchange.

6.1 Overview of Corporate Governance Policies and Practices

The company attaches great importance to compliance with good corporate governance principles and having business ethics. Business operations must consider responsibility to all stakeholders, the community, society, and the environment. Therefore, the company has established "the Corporate Governance Code (CG Code) by applying the corporate governance of the Securities and Exchange Commission appropriately to the context of the organization as practice principles for the board of directors, as the leader and governing body of a listed company, to use in the governance of the organization to be proper and appropriate for the company's long-term sustainable value creation, trust for shareholders, and the society at large for the benefit of creating sustainable business value.

The Board of Directors believes that the consequences of doing so are ethical, transparent, honest, equal, strict responsibility, and competitive by treating and coordinating benefits to all stakeholders fairly. It will strengthen the sustainable growth of the company in the long term. It will strengthen the sustainable growth of the company in the long term. There are 8 main principles of practice as follows:

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

Principle 1.1 The board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance.

Principle 1.2 To achieve sustainable value creation, the board should exercise its leadership role and pursue the following governance outcomes.

Principle 1.3 The board should ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards.

Principle 1.4 The board should demonstrate a thorough understanding of the division of board and management responsibilities. The board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.

Principle 2 Define Objectives that Promote Sustainable Value Creation

Principle 2.1 The board should define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company.

Principle 2.2 The board should ensure that the company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilising innovation and technology effectively.

Principle 3 Strengthen Board Effectiveness

Principle 3.1 The board should be responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors to ensure its leadership role in achieving the company's objectives.

Principle 3.2 The board should select an appropriate person as the chairman and ensure that the board composition serves the best interest of the company, enabling the board to make its decisions as a result of exercising independent judgement on corporate affairs.

Principle 3.3 The board should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

Principle 3.4 When proposing director remuneration to the shareholders' meeting for approval, the board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the board to lead the company in meeting its objectives, both in the short and long term.

Principle 3.5 The board should ensure that all directors are properly accountable for their duties, responsibilities and (in-) actions, and allocate sufficient time to discharge their duties and responsibilities effectively.

Principle 3.6 The board should ensure that the company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has significant investment as appropriate.

Principle 3.7 The board should conduct a formal annual performance evaluation of the board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board.

Principle 3.8 The board should ensure that the board and each individual director understand their roles and responsibilities, the nature of the business, the company's operations, relevant law and standards, and other applicable obligations. The board should support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the board and board committees.

Principle 3.9 The board should ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board should appoint a company secretary with the necessary qualifications, knowledge, skills, and experience to support the board in performing its duties.

Principle 4 Ensure Effective CEO and People Man Page

Principle 4.1 The board should ensure that a proper mechanism is in place for the nomination and development of the chief executive officer/top management and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the company to achieve its objectives.

Principle 4.2 The board should ensure that an appropriate compensation structure and performance evaluation are in place.

Principle 4.3 The board should consider its responsibilities in the context of the company's shareholder structure and relationships, which may impact on the management and operation of the company.

Principle 4.4 The board should ensure the company has effective human resources management and development programmes to ensure that the company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.

Principle 5 Nurture Innovation and Responsible Business

Principle 5.1 The board should priorities and promote innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the company.

Principle 5.2 The board should encourage management to adopt responsible operations and incorporate them into the company's operations plan. This is to ensure that every department and function in the company adopts the company's objectives, goals, and strategies, applying high ethical, environmental, and social standards, and contributes to the sustainable growth of the company.

Principle 5.3 The board should ensure that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.

Principle 5.4 The board should establish a framework for governance of enterprise IT that is aligned with the company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company's objectives.

Principle 6 Strengthen Effective Risk Management and Internal Control

Principle 6.1 The Board should ensure that the company has effective and appropriate risk management and internal control systems that are aligned with the company's objectives, goals and strategies and comply with applicable law and standards.

Principle 6.2 The board shall establish an audit committee that can act effectively and independently.

Principle 6.3 The board should manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

Principle 6.4 The board should establish a clear anti-corruption policy and practices (including communication and staff training) and strive to extend its anti-corruption efforts to stakeholders.

Principle 6.5 The board should establish a mechanism for handling complaints and whistleblowing.

Principle 7 Ensure Disclosure and Financial Integrity

Principle 7.1 The board must ensure the integrity of the company's financial reporting system and that timely and accurate disclosure of all material information regarding the company is made consistent with applicable requirements.

Principle 7.2 The board should monitor the company's financial liquidity and solvency.

Principle 7.3 The board should ensure that risks to the financial position of the company or financial difficulties are promptly identified, managed, and mitigated, and that the company's governance framework provides for the consideration of stakeholder rights.

Principle 7.4 The board should ensure sustainability reporting, as appropriate.

Principle 7.5 The board should ensure the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders (such as analysts and potential investors).

Principle 7.6 The board should ensure the effective use by the company of information technology in disseminating information.

Principle 8 Ensure Engagement and Communication with Shareholders

Principle 8.1 The board should ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

Principle 8.2 The board should ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

Principle 8.3 The board should ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

6.2 Code of conduct

The company Limited attaches great importance to compliance with good corporate governance principles. and having business ethics. Business operations must consider responsibility to all stakeholders, community, society, and environment. Therefore, the Company has established a policy on ethics and guidelines for various matters by creating a "Code of conduct" in various matters for the Board of Directors, management, and employees to adhere to which focuses on the main principles of corporate governance and treating stakeholders are equal, fair, verifiable, including considering and respecting the rights of all groups of stakeholders to create balance in society as a whole, the company has given importance to personnel development continuously both in terms of knowledge and ability moral and ethical aspects by strengthening the behavioral basis that is committed to learning and constantly developing products and services including transferring knowledge to each other and cultivating awareness of honesty Perseverance, patience, and responsibility on the basis of human dignity.

The company believes that the consequences of doing so are ethical, transparent, honest, and equal, and have strict responsibility and the ability to compete by creating and coordinating benefits to all groups of stakeholders with fairness It will strengthen the sustainable growth of the company in the long term as well.

1. Ethics on the treatment of stakeholders

The Company considers it an important policy to conduct business that considers the interests of the Company and stakeholders as a whole. Therefore, it has established good practices to demonstrate its intention to conduct business with transparency and accountability. Duties of directors, executives, and employees at all levels Including related persons and related persons must avoid having a stake or being involved in any action that may cause a conflict of interest that will cause the Company to lose benefits or make the business work efficiency decrease. If such transactions cannot be avoided, the unit responsible will supervise such transactions in a transparent, clear manner for the best interest of the Company.

Stakeholder role

The company has given importance to the rights of various groups of stakeholders, whether they are internal stakeholders such as employees and executives of the company or external stakeholders such as customers, partners, creditors, government agencies, and agencies related to the community, especially taking care of the environment and society. Because the company is aware of the cooperation and support from various stakeholders, which will create competitiveness and profit for the company, which is considered to create success, stability, and sustainability, in the business of the company. The Company will comply with the requirements of relevant laws and regulations, without doing any action that violates their rights so that the rights of these stakeholders are well taken care of, including a guideline for whistleblowing on issues of misconduct, inaccuracy of financial reports, defective internal control system.

*1.1 Treatment of Shareholders***Shareholders' rights**

The Company values and respects the rights of shareholders, therefore, has established a policy for corporate governance by considering the rights of shareholders, such as the right to buy or transfer shares, receiving dividends from the profits of the business, obtaining receive sufficient and timely information, participate in and exercise voting rights in shareholders' meetings within the framework of laws and good corporate governance principles for listed companies.

Last year, the Company held an on-site general meeting of shareholders once, in which the Company provided an opportunity for shareholders to propose agenda items and nominate qualified person to be considered for election as directors from October 10 to December 31, 2024, which was published on the Company's website and announced via the SET's news system. In addition to disclosing information via various media as specified by the Stock Exchange of Thailand, the Company sent a meeting invitation letter providing information on the date, time, venue, and agenda, as well as supporting information for the meeting and the Board's opinions on each agenda item, a proxy form following the Department of Business Development, Ministry of Commerce, proxy authorization criteria, registration, voting, the Company's regulations related to the meeting, guidelines, procedures for attending the meeting, a map of the meeting venue, and advertisements on other electronic media to all shareholders in advance as specified by the Company's regulations and relevant laws. The meeting venue was outside the Company, taking into account the cost-saving and convenience for shareholders to attend the meeting, and the information supporting the shareholders' meeting will be updated to be more detailed.

In the previous shareholders' meeting, all directors attended the meeting (2 attended the meeting via electronic media). The chairman of the meeting proceeded with the meeting according to the agenda and gave shareholders equal rights to ask questions, inspect the operations, express opinions, and make suggestions to the fullest. Including recording important questions and comments.

Equality of shareholders

All shareholders of the company will be treated equally and fairly, especially in terms of basic rights. Therefore, the Board of Directors has a policy to facilitate all shareholders by allowing shareholders who are unable to attend the meeting to use a proxy form following the form of the Department of Business Development, Ministry of Commerce, to appoint another person to act on their behalf. The company will propose the names of the chairman of the Audit Committee, Audit Committee members, and chairman of the Board of Directors as alternatives for shareholders to appoint as proxies, as well as allowing shareholders to exercise their rights to propose agendas and propose the appointment of directors individually. The board supports the use of voting cards in important agendas, such as related party transactions, for transparency and verification in case of disputes later, as well as the ability to propose additional meeting agenda items within the framework of regulations and legal requirements.

To prevent conflicts of interest The Board of Directors will carefully consider any transactions that may lead to conflicts of interest, adhering to the rules of connected transactions prescribed by the Stock Exchange of Thailand, whereby the prices and conditions are the same as transactions with third parties. In addition, directors and executives who have interest in transactions with the Company are also required to refrain from participating and abstaining from voting in decision-making on such transactions, and details are disclosed in the annual information report (Form 56-1). One report / annual report) as well as overseeing and setting guidelines for keeping and preventing directors,

executives, and related persons from using the Company's inside information for their own benefit or others in a wrongful way which takes advantage of the stakeholders. Holding other shares, the directors and executives regularly report their securities holdings to the Board of Directors.

1.2 Treatment of customers

1.3 Treatment of Business Competitors

1.4 Treatment of Creditors and/or business partners

1.5 Employee treatment

1.6 Dealing with Government or Regulatory Agencies

1.7 Treatment of community, society and environment

2. Ethics on respecting human rights

The Company recognizes the importance of respecting everyone's human rights by treating everyone equally without discrimination, avoiding actions that violate human rights, and giving importance to labor by treating the Company's employees, everyone with equality, without discrimination, without discrimination of origin, race, gender, age, skin color, religion, or disability. with fair compliance with labor laws and regulations related to labor, the right and freedom to have a clean, safe, hygienic workplace, free from harassment, or oppression of all types Including encouraging employees to show their potential and value as a part of the development of the organization for continuous and sustainable progress together.

3. Ethics for respecting and complying with laws, regulations, relevant regulations, and respect for different cultures.

The company is committed to conducting business in accordance with laws, rules, and regulations related as well as respect local customs, traditions, and culture. The code of conduct for directors, executives and employees are based on the following principles:

1. Be responsible for decisions and conduct.
2. Be transparent and open.

Disclosure and Transparency

The Board of Directors has a code of conduct/policy requiring the company to disclose important information related to the company. whether it is financial information, or non-financial information that is accurate, complete, timely, transparent, and up to date, through easily accessible channels and various information dissemination media of the Stock Exchange of Thailand according to the standards and requirements of the SEC, the Stock Exchange of Thailand and other relevant laws.

The Board of Directors is responsible for the Company's financial statements, including information contained in the Annual Information Report (Form 56-1 one report) that it has been prepared in accordance with generally accepted accounting standards in Thailand by selecting appropriate accounting policies and consistently implementing them. and using careful discretion and the best estimate in the preparation Important information is adequately disclosed in the notes to the financial statements. Including complying with the requirements of the SEC, the Stock Exchange of Thailand, and other relevant laws It also has an effective internal control system to ensure that accounting records are accurate, complete, and sufficient. The Board of Directors is of the opinion that the Company's overall internal control system is at a satisfactory level. and able to create reasonable confidence in the reliability of the Company's financial statements.

The Board of Directors realizes that the Company's information affects the decision-making process of investors and stakeholders of the Company. Therefore, it has acted in relation to the disclosure of information through various channels and media of information dissemination of the Stock Exchange of Thailand. The investor relations section since there are not many activities in this regard. The company, therefore, has not established a specific unit but has assigned the Company Secretary and Vice President Legal affairs to communicate with investors, institutions, and shareholders, including analysts and relevant government agencies. Investors can contact for information about the company at Tel.02-213-2514 Fax.02-287-2031 or at the e-mail address: pramot@varo.thai.com or admin@varo.thai.com or suchada@varo.thai.com.

1. Treat all parties equally and fairly.
2. Aiming to create long-term business value for stakeholders.
3. Encourage best practice.

4. Ethics on the use of insider information and confidentiality

The Company recognizes the importance of internal information management by recording or reporting information in accordance with the criteria set by the Company and completely legally, keeping the information in a safe and appropriate condition for both the Company's internal information and information of business-related persons and employees must keep inside information confidential, not use inside information to seek profit or benefit. In addition, inside information must be able to be referenced or utilized and after the data retention period has elapsed, relevant employees must arrange for destruction by appropriate methods for each type of data or document.

5. Ethics on intellectual property, use of information technology and communication

The company encourages employees to use the Internet for work purposes. Employees must not act in a way that interferes with the computer systems and Internet of others in the company and must use computers and information technology following the Computer Crime Act and the Personal Data Protection Act and avoid using the company's computer system to disseminate information that is inappropriate in terms of morality, customs and traditions, laws, personal data, or actions that cause damage to national security and safety. The company has clearly announced its intention to strictly comply with laws related to intellectual property and will not intentionally infringe on intellectual property, whether it is copyright, patent, or trademark.

6. Ethics on Rights and Political Neutrality

The Company maintains its political neutrality by not acting favorably or providing financial or other forms of support to political parties, political coalitions, officials, or candidates, either directly or indirectly, at the national level, local, regional, or national level. The company will encourage employees to exercise their rights as good citizens in accordance with the constitution and related laws. Including encouraging employees to exercise their right to vote according to the constitution.

7. Conflict of Interest Ethics

Any actions of the company will be based on the interests of the company and avoid getting involved in activities that may cause conflicts of interest. Either in the form of becoming a partner, holding a financial related position, or having a relationship with an outsider. The personnel of the Company shall comply with the Company's regulations and prepare a conflict-of-interest report annually and/or every time events occur during the year.

8. Ethics on related transactions

The company adheres to the guidelines for dealing with related transactions according to the law on securities and stock exchange and regulations, announcements, orders or requirements of the Stock Exchange of Thailand and other regulations. However, if it is necessary to make a related transaction, the interests of the Company shall be considered, and such a transaction shall be made as if it were a transaction with a third party without being involved in the approval consideration.

9. Ethics on control system, internal audit, and financial reporting

9.1 The Company's management is responsible for providing accurate, complete, and timely financial reports for both annual and quarterly statements. which is prepared in accordance with accepted accounting standards.

9.2 Establish an effective internal control and audit system to ensure that the company complies with relevant standards and laws under the review of internal auditors and review of the audit committee.

10. Ethics on the preservation and use of company assets

10.1 Employees have the duty and responsibility to take care of the company's assets to prevent damage, loss, and use them efficiently for the full benefit of the company. and not use the company's assets for the benefit of oneself or others.

10.2 Such assets mean tangible and intangible assets such as movable properties, real estate, technology, technical know-how, licenses, patents, copyrights, as well as confidential information that has not been disclosed to the public such as business plans, financial projections, human resources information.

10.3 All employees should strictly avoid disclosure or exploitation of confidential information.

11.. Workplace Safety and Health Ethics

The company will operate its business by taking into account the safety and health of employees as a priority because every employee is a valuable resource as well as an important mechanism to enable the company to grow and have sustainable competitiveness, Occupational health in the workplace as a policy.

12. Ethics on Anti-Corruption, Whistleblowing and Complaints

The company encourages all personnel in the organization to strictly comply with the laws, rules, regulations related to anti-fraud and corruption in order to build confidence among stakeholders to conduct business with honesty, integrity and transparency including support in anti-fraud and corruption activities.

Anti-Corruption Measures

1. Anti-Corruption Policy

2. Responsibilities

3. Guidelines for high-risk activities or channels for corruption

The Company determines that high-risk activities or channels of corruption must not be involved in negotiations or project bidding. And do not act with person who have decision-making power to do business with the company. Such actions must comply with the following guidelines:

3.1 Political Contributions

3.2 Charitable donations

3.3 Support

3.4 Giving, or receiving gifts, tokens, receptions and other benefits

4. Public relations

1) The Human Resource Management Department organizes orientation training for new employees regarding anti-corruption measures.

2) Dissemination of anti-corruption measures via the Company's website.

3) Public relations through Wallpaper, which instead of communicating about anti-corruption measures to ensure the same understanding through the company board.

4) Specified in the commercial contract as an annex.

5. Whistle Blowing Policy and complaints

Objective

- To promote business operations in accordance with ethics, rules, laws, transparency and accountability.
- To encourage directors, executives, and employees to participate in whistleblowing when encountering behaviors that may indicate corruption.
- To provide protection and confidence to whistleblowers

Whistle Blowing Scope

- Violation of laws, rules, regulations, regulations of the governing body of the company.
- Violation of rules, regulations, company regulations
- Violations or acts that are unethical of the company

- Acts of fraud or corruption
- Inappropriate items in the financial statements
- Actions that cause negative effects on the company
- receiving unfair treatment

Whistle-blowing channels complaints and suggestions

- Managing Director : thanawat@varo.thai.com
- Audit Committee Mr. Thanomsak Chotikprakai Chairman of the Audit Committee: tchotikap@gmail.com
- Secretary of the Audit Committee : suchada@varo.thai.com
- Quality, Environment and Safety Management Department : nichanach@varo.thai.com
- Human Resource Management Department: laphatrada@varo.thai.com
- Create a QR Code Line (for convenience in notifying)

Consideration and action

- Details of whereabouts and complaints must be true, clear.
- The information and fact-finding process will be treated as confidential.
- The Managing Director will appoint at least 3 executives who are independent from the activities that have received whistleblowing or complaints to be the fact-finding committee with the responsibility of investigating the facts.
- The fact-finding investigation must be carried out fairly to the complainant.
- The duration of the review depends on the complexity of the facts.
- If the whistleblowing is dishonest causing damage to the company or related persons, the whistleblower will be subject to disciplinary action.

6. Protection Measures

- The information of the whistleblower, the complainant, the complainant will be kept confidential.
- Whistle-blowers and co-operators in fact-checking will be protected and safe.
- Whistleblowers or those who cooperate in the investigation will receive fairness.
- Those who have suffered damage will be relieved by appropriate and fair procedures.

13. Ethics on personal data protection (PRIVACY POLICY)

The Company recognizes the importance of personal data protection (Personal Data) of employees, customers, business partners, and other identifiable person, therefore, the Company has established this Personal Data Protection Policy and Regulations. Up to ensure that the collection, use, or disclosure of personal information is in accordance with the Personal Data Protection Act 2019, including the protection of personal information from being misused. and keep such information safe in accordance with international standards.

The company has established policies and regulations. Including guidelines for protecting personal information. as well as supervising compliance with policies and regulations Including any other related practices and finding ways to improve to make the implementation more efficient. In addition, to ensure that the results of operations are reported in accordance with policies and regulations. including related practices.

1. Collection, use, or disclosure of personal information
2. Purpose of personal data collection
3. Quality of Personal Data
4. Restrictions on the use of personal data
5. Security of Personal Data
6. Responsibilities of individuals collecting, using, or disclosing personal data
7. Guidelines on personal data protection
8. Right to access personal data
9. Penalties

10. Review

Code of conduct for the Board of Directors, executives, and employees

1. Conduct
2. Treatment of colleagues
3. Treatment of the Company

Employee Code of Conduct

The Company recognizes that all employees are valuable resources for the Company, an important resource that will lead the Company to success and achieve its objectives. The Company therefore has a policy to promote, support and develop employees for the best advancement as a campaign and to strengthen the awareness of employees to comply with the guidelines and to show the Company's intention to conduct business with transparency, ethics, and Responsible to stakeholders, therefore, the Code of Conduct for Employees has been established as a guideline for the conduct of employees as follows:

1. Code of conduct towards the company

Employees must strictly follow the rules, orders and announcements of the company, must be responsible, honest, dedicated, improve and develop work to be effective, loyal, have a good attitude, do not engage in Any action that is competitive or conflicts with the business of the company, should use the company's assets sparingly and keep them in good condition, should maintain the confidentiality of information and news in the business of the company and should create image, reputation, good honor for the company

2. Ethics towards oneself

Employees must perform their duties with honesty, perseverance, commitment to work efficiently and effectively, and to maintain unity. There is solidarity among employees, refraining from vices, quarrels, and illegal and immoral acts. Including not behaving in a way that discredits oneself and the company, must respect the rights of employees together and respect the rights of stakeholders, must strictly maintain the confidentiality of customers, competitors of the company.

3. Ethics towards supervisors

Employees must obey and perform duties as assigned by supervisors with diligence, diligence, diligence to achieve results, must respect the judgment of supervisors, not show signs of aggression, disrespect and contempt, must provide information that Correct, do not report falsely to the supervisor Must be willing to perform the duties assigned by the superior and should be respectful, honorable, know the tact and not be unruly towards the superior.

4. Ethics towards subordinates

Supervisors must be leaders who are exemplary, virtuous, fair in assignment and merit consideration, must teach work, recommend work, help solve problems as well as transfer knowledge and experience to subordinates. In order to perform the job properly, must encourage subordinates to act with honesty, honesty, creativity and perseverance, must listen to problems, comments and give advice sincerely, pay attention, Take care of suffering and be kind to subordinates.

5. Ethics towards colleagues

Employees must treat all colleagues with politeness and respect for each other and listen to opinions from colleagues, must adapt to being able to work as a team, must encourage and support colleagues by educating them. convey experiences, sacrifice for the public with sincerity and full capacity, refrain from acting in the manner of competition among themselves and do not criticize personal matters or information of colleagues in a derogatory way.

Follow up and supervise to ensure compliance.

- 1) It is the duty and responsibility of all directors, executives and employees who must acknowledge and understand. Including strictly following the business ethics
- 2) Determine guidelines for commendation and punishment, such as rewards for good performers, disciplinary punishment for offenders of ethics in order to have serious practice.
- 3) Provide methods for asking questions and reporting in case of suspected violations of the Code of Conduct or receiving complaints. There may be many options, such as hierarchical supervisors, audit committee, email or through website channels within the company, etc.

4) Determine reporting lines to monitor compliance, such as the Corporate Affairs Department, reporting directly to the Audit Committee, or the Discipline and Ethics Committee (consisting of senior management led by senior executives in charge of legal affairs) who will report to the Audit Committee at another level.

5) Determine the period for reviewing the Code of Conduct, such as every year or every two years, or as appropriate, to ensure it is appropriate for changing business circumstances or environments.

Inquiring or informing information

In case you have questions about good corporate governance policies, good corporate governance principles, business ethics, or environmental care policies, or see suspected actions that violate good corporate governance principles or the company's business ethics. You can inquire or report to the person responsible as follows.

- Hierarchical supervisors.
- Company Secretary
- Department directly responsible for that matter.

The Company has assigned the Human Resources Department/Company Secretary to act as a complaint-receiving unit. In case witnessing any behavior or event That may be contrary to good corporate governance principles or business ethics can be reported directly or you can notify the matter through various channels directly to the director as follows

- Chairman of the Audit Committee e-mail: tchotikap@gmail.com
- Company Secretary e-mail: pramot@varo.thai.com / suchada@varo.thai.com
- Human Resources Department e-mail: laphatrada@varo.thai.com

Telephone: 02-213-2514, Factory:02-323-1684

Fax Office: 02-287-2031, Factory:02-323-9635

E-mail: admin@varo.thai.com Web: <https://www.varopakorn.com>

The Company will consider and accept the complaints specified and treat them as confidential.

6.3 Significant changes and developments in policies, practices, and corporate governance systems in the past year

6.3.1 In 2021, the company amended the "Corporate Governance Code (CG Code)" and "Code of Conduct" to be in line with good corporate governance principles for listed companies in 2017 (CG Code), which was approved by the Board of Directors meeting on February 25, 2022.

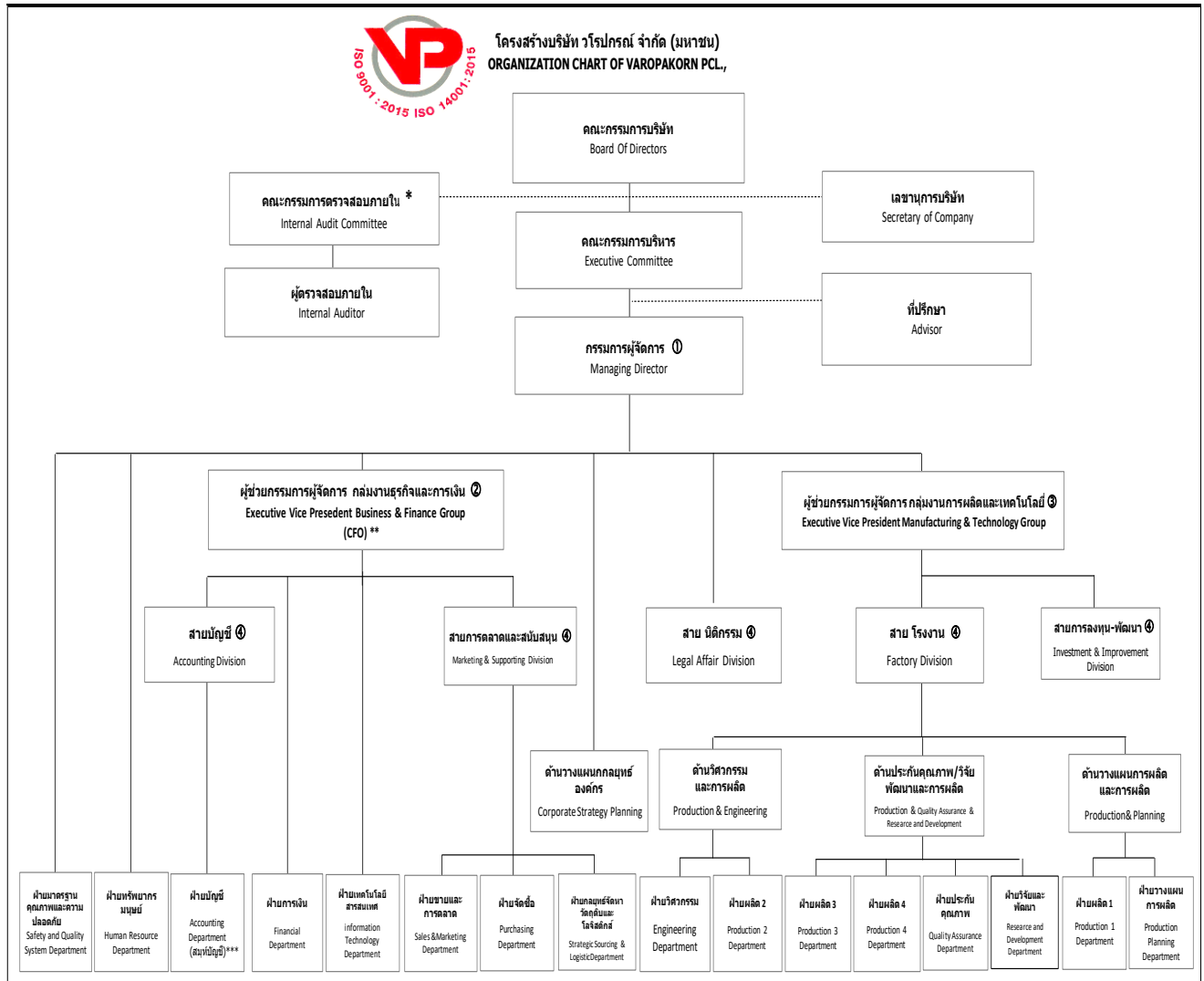
6.3.2 The Company is committed to applying and complying with the principles of good corporate governance for listed companies 2017 (CG Code). To be concrete under the new normal (New Normal), which needs to be considered and reviewed at least once a year as appropriate.

7. Corporate Governance Structure and important information about the board, Sub-committees, executives, employees and others

7.1 Management structure

The structure of the Board of Directors consists of 3 committees which are

1. The Board of Directors
2. The Executive Committee
3. The Audit Committee



* Also serves as the Nomination and Remuneration Committee

①②③④ The first four executives

** Appointed as CFO on 25 February 2025 *** Appointed as Accountant on 1 January 2024, replacing the previous person who retired.

7.2 Information regarding the board

Structure of the Board

The Board of Directors of the Company consists of qualified person, experience, knowledge and ability of 11, consisting of 4 executive directors and 7 non-executive directors, 4 out of 7 being independent directors and 3 out of 4 being audit committee members, it can be considered that the Company has a balance between executive directors and non-executive directors in an appropriate proportion. The term of office of directors is in accordance with the Company's regulations.

The Board of Directors:

At present, the Company has 11 directors as follows:

No.	Names	Position	Number of Meeting Attendances	Remuneration	
				Reward	Meeting allowance
1.*	Mrs.Sorranee Deephanphongs	Chairman of the Board	4/4	-	40,000
2.	Mr. Chaiyong Deephanphongs	Director / Advisor to the Executive Committee	4/4	-	40,000
3.*	Mr.Sahasee Chitanondh	Director / Advisor to the Executive Committee	4/4	-	40,000
4.	Mr.Chirawut Chaiyawat	Director	4/4	-	40,000
5.	Mr. Thanomsak Chotikaprakai	Independent Director / Chairman of the Audit Committee	4/4	-	40,000
6.	Mr. Thongkoon Sangthammarat	Independent Director / Member of the Audit Committee	4/4	-	40,000
7.	Admiral Thomrat Hatayodom	Independent Director / Member of the Audit Committee	4/4	-	40,000
8.	Mr. Pitiphong Pisalbhuira	Independent Director	3/4	-	30,000
9.	Flg.Off.Kamolnai Chaixanien	Director	4/4	-	40,000
10.	Mr. Yoshinao Toyada	Director	4/4	-	40,000
11.*	Mr. Thanawat Sornjai ³	Director	1/4	-	40,000
12.	Mr. Pramot Hansakul	Secretary company	4/4	-	-
Total				-	430,000

* Authorized director according to certificate

(There is information/details about directors, executives and company secretary in Attachment 1)

Scope of authority: Perform duties in accordance with the law, objectives, and regulations, as well as the resolutions of the shareholders' meeting, with the directors having the authority to make decisions and supervise the operations of the company, except for the following matters which the Board of Directors requires approval from: the shareholders' meeting before proceeding.

(1) Matters required by law and/or the Company's Articles of Association to be approved by the shareholders' meeting.

(2) Connected transactions or transactions relating to the acquisition or disposal of assets of the Company according to the defined meaning applicable to the transactions. Connected transactions of listed companies or acquisition or disposal of assets of listed companies, as the case may be. The company shall comply with the rules and procedures specified in the said announcement for that matter.

The Company's directors may authorize one or more directors or executive directors to perform any business on their behalf, within the scope set by the Board of Directors.

Name and number of directors authorized to sign on behalf of the Company: Mrs. Sorranee Deephanphongs or Mr. Sahasi Chitanon or Mr.Thanawat Sornjai jointly sign two persons together and affix the Company's seal. (Approved for amendment from the Board of Directors Meeting No. 4/2023 on 10 November 2023)

Board Responsibilities

The Board of Directors plays an important role in corporate governance for the best interest of the Company, is responsible for the performance of its shareholders and is independent from the management. The best practice guidelines are as follows:

Roles, duties, and responsibilities of the Board of Directors

The Company's Board of Directors consists of qualified person, with experience, knowledge, and competence who participate in setting or approving the vision, mission, goals, plans, and budget of the Company as well as supervising the management to carry out its operations. In order to be in accordance with the specified work plans with efficiency and effectiveness for the best interests of the business and shareholders, with regular review, monitoring and auditing, and in order to separate the duties of policy-making, supervision, and routine management Therefore, the person holding the position of chairman and managing director of the company is not the same person.

The company has set up a code of conduct of the company according to the principles of good corporate governance for those involved, whether it is the board of directors, executives, and employees of the company at all levels to use as a guideline in performing their duties with a good management system, clarity, transparency, honesty, honesty, and fairness to the company, stakeholders, and society as a whole which all parties in the company must jointly take care of and take responsibility and it is important to seriously comply with dissemination, public relations, promotion, and follow-up, as well as reviewing and improving to be appropriate and up-to-date.

In the event that there is a transaction that may lead to a conflict of interest, the Board of Directors will consider the connected transaction criteria as specified by the Stock Exchange of Thailand as a guideline for the aforementioned practice.

The company has given importance to the internal control system both at the management level and at the operational level with efficiency by having an audit committee and internal auditors. Reporting directly to the Board of Directors responsible for inspecting and supervising the use of company assets for the benefit, the main operations and important financial activities of the company have been carried out in accordance with the prescribed guidelines and efficiency or not, incl. To check compliance with relevant laws and regulations by separating the duties of operators, followers, controls, and evaluators from each other in order to create a balance and check between each other appropriately.

The company has given importance to risk management very much, therefore, has defined and assessed the risks of the business, given importance to early warning signs and unusual transactions, and established measures to prevent and manage risks, Compliance with relevant laws and regulations is supervised.

Board meeting

The Board of Directors has regular meetings at least once a quarter, with clear agendas set in advance, and regular agendas for monitoring performance. The Company Secretary Department has sent the meeting invitation letter together with the meeting agenda and documents prior to the meeting so that the Board of Directors has enough time to study the information before attending the meeting. Normally, each meeting takes no less than 1 hour and the minutes of the meeting are written in writing, and the minutes of the meeting that have been approved by the Board are kept for review by the Board of Directors and related party.

In the past year, the Board of Directors held 4 regular meetings (1 of which was a meeting and a factory visit) with a quorum of directors attending every meeting (see details in the management structure, under the heading of the list of board members). In addition, there were informal meetings before the actual meeting (Pre-Board meeting) every time, including regular meetings of the board of directors and executives at least once a month.

Board self-assessment

All members of the Board of Directors play an important role in corporate governance for the best interest of the company and are responsible for the performance of their duties. according to the regulations and as required by law, including to shareholders in the past year, overall, it was considered that the performance of duties was at a satisfactory level. However, in the past year, the Board of Directors has organized a self-assessment for improvement.

Development of directors and executives

The Board of Directors has encouraged and facilitated directors, executives, and company secretaries to attend training and seminars on corporate governance of the company as stipulated by the SEC, the SET, the Listed Companies Association, and the Institute of Directors Association. The Thai Board of Directors (IOD) has been organized to continuously improve the performance of duties. And every time there is a change of new director, that director will receive business advice, business guidelines, information, and documents that are useful in performing duties. In addition, managing directors and executives regularly report, monitor, review, improve, plan, operate, develop, and succeed in keeping up to date on a regular basis.

17.3 Information about sub-committees

The Board of Directors has appointed sub-committees that are suitable and qualified according to the requirements of the Office. SEC and SET In order to assist in the supervision of the Company's business, there is only one set which is the Audit Committee.

Audit Committee: Consists of 3 persons with qualifications, experience, knowledge, and ability who are independent and appropriate to the specific characteristics of the company. It was established on November 11, 1999. Its office term is 3 years, and it reports to the Board of Directors. In the past year, there were 4 Audit Committee meetings (1 of which was a meeting without executives, together with internal auditors and auditors). The number of Audit Committee members attending the meeting and the composition, scope of authority, qualifications, and selection are mentioned in the Management Structure section above.

In late 2007, the Board of Directors appointed and assigned the Audit Committee to act as the Nomination and Remuneration Committee to perform such duties as assigned. In the past year, the committee held one meeting to consider the nomination of directors and consider the remuneration of directors, but the consideration of remuneration for directors will be under the consideration of the Board of Directors and the Board of Directors and shareholder meeting considering the level of practice in the same industry, suitability to duties and responsibilities assigned including the performance of the company and the performance of each executive. In the past year, the Company paid various remunerations to directors and executives. As already mentioned in the table above and below.

List of Audit Committee

No.	Names	Position	Number of Meeting Attendances	Meeting allowance	** annual remuneration
1	Mr. Thanomsak Chotikaprakai	Independent Director / Chairman of the Audit Committee	4/4	40,000	220,000
2*	Mr. Thongkoon Sangthammarat	Independent Director / Member of the Audit Committee	4/4	40,000	80,000
3	Admiral Thomrat Hatayodom	Independent Director / Member of the Audit Committee	4/4	40,000	80,000
Total				120,000	380,000

* Knowledge and experience in reviewing the credibility of financial statements as a certified public accountant

** annual remuneration 2024 paid in 2025

(Information/details about directors, executives and company secretary are provided in Attachment 1)

Scope of authority:

- 1) Review the company's financial reporting to be accurate and adequate.
- 2) Review the company's internal control system and internal audit to be appropriate and effective, and consider the independence of the internal audit unit, as well as approve the consideration of appointment, transfer, or dismissal of the head of the internal audit unit or any other unit responsible for internal audit.
- 3) Review the company's compliance with the Securities and Exchange Act, the stock exchange regulations, or laws related to the company's financial business.
- 4) Consider, select, and propose the appointment of an independent person to act as the company's auditor, and propose the remuneration of such person, including attending a meeting with the auditor without the management at least once a year.
- 5) Consider related transactions or transactions that may have conflicts of interest to be in accordance with the law and the stock exchange regulations in order to ensure that such transactions are reasonable and of the utmost benefit to the company.
- 6) Prepare the Audit Committee's corporate governance report, to be disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee. and must include at least the following information:
 - (a) Opinion on the accuracy, completeness and reliability of the Company's financial report
 - (b) Opinion on the adequacy of the Company's internal control system
 - (c) Opinion on compliance with the Securities and Exchange Act, the Stock Exchange's regulations or laws related to the Company's business
 - (d) Opinion on the suitability of the auditor
 - (e) Opinion on items that may cause conflicts of interest
 - (f) Number of Audit Committee meetings and attendance of each Audit Committee member
 - (g) Overall opinions or comments received by the Audit Committee from performing its duties in accordance with the charter
 - (h) Other items that the shareholders and general investors should be aware of, within the scope of duties and responsibilities assigned by the Board of Directors
- 7) Perform any other duties as assigned by the Company's Board of Directors with the approval of the Audit Committee

7.4 Information about executives
List of executive committees/executives/controllers persons

No.	Name	Position
1*	Mrs. Sorraanee Deephanphongs	Chairman of the Board
2	Mr. Chaiyong Deephanphongs	Advisor to the Executive Committee
3*	Mr. Sahasee Chitanondh	Advisor to the Executive Committee
4*	Mr. Thanawat Somjai **	Managing Director
5	Ms. Gunyapart Deephanphongs **	Executive Vice President Business & Finance Group / Vice President Marketing and Support Division / CFO ¹
6	Mr. Toshinobu Yoshigai **	Executive Vice President Manufacturing & Technology Group
7	Mr. Pramot Hansakul **	Vice President Legal Affair
8	Mr. Thatawat Chansri **	Factory Manager, Factory Line
9	Mr. Prajoub Lerdtai	Assistant Factory Manager, Engineering & Production, Factory Line
10	Mr. Kasem Kusolsirikun	Assistant Factory Manager, Production Planning & Production, Factory line
11	Mr. Rewat Kaoluang	Assistant Factory Manager, Quality Assurance, Production & Production Technology, Factory Line
12	Mr. Ekkasit Kongsakul	Assistant Vice President of Corporate Strategy Planning
13	Ms. Prapa Phisutthithada	Purchasing Manager, Marketing and Support Division

14	Ms. Rasamee Nonsiri	Strategic, Sourcing & Logistic Manager, Marketing and Support Division
15	Mr. Nawaphon Singnil	Engineering Manager, Factory Line
16	Mr. Anat Champanan	Production Manager 2, Factory Lines
17	Mr. Chookiat Khumkaew	Production Manager 3, Factory Line
18	Ms. Laphatrada Saikham	Human Resources Manager
19	Mrs. Nittaya Phinyo	Accounting Manager, Accounting Division (Accountant) ²
20	Mr. Surachai Topipatchai	Sales and Marketing Manager, Marketing and Support Division
21	Mr. Chutipol Plabnil	Finance Manager ³
22	Mr. Likhit Uthiya	Production Manager 1, Factory Line
23	Mr. Atthapol Kaewsuk	Production Manager 4, Factory Line
24	Ms. Chamiporn Irakom	Quality Assurance Manager, Factory Line
25	Ms. Matree Nuankratok	Research and Development Manager, Factory Line
26	Ms. Kamonwan Panrong	Production Planning Manager, Factory Line
27	Mr. Teeravit Lertnaruemitkul	Information Technology Manager

* Authorized director according to certificate

** No. 4-8: the first 4 executives from Managing Director

No.4-6, 8-21, 24-27: Factory Executive Officers

¹ Appointed as the person assigned with the highest responsibility in the accounting and finance department (CFO) on February 25, 2025, replacing Mr. Sahasee Chitanondh, having completed the SET's e-learning CFO's Orientation for New IPOs (Thai language) course in 2024 on January 15, 2025.

² Appointed as the person assigned with direct responsibility for supervising accounting (accountant) on January 1, 2025, replacing Ms. Wasana Suksayan, who was assigned with direct responsibility for supervising accounting, who retired on December 31, 2024, with the qualifications and conditions of being an accountant following the criteria specified in the announcement of the Department of Business Development, and has undergone continuous training to develop knowledge in accounting.

³ Assumed the position on February 1, 2025, replacing Mr. Trinnaphat Phuengsawat, the previous Finance Manager who resigned on January 31, 2025.

Scope of Authority: Manage work within the scope of authority assigned by the Board of Directors or as assigned, including carrying out various tasks which are normal business practices or related to normal business operations of the Company and in accordance with general trading conditions or in accordance with the policies and criteria that the Board of Directors has considered and approved, including consideration of various matters which must be approved or approved by the Board of Directors or the shareholders' meeting according to the company's regulations or laws.

In this regard, the powers and duties of the Chief Executive Officer, Managing Director Under the rules of the law, rules, regulations, and regulations of the company, therefore, the approval of the transaction that the Chief Executive Officer, managing director, or any person who may have a conflict of interest, has an interest, or may have a conflict of interest in any other manner with the company must be proposed to the Board of Directors' meeting. company to consider and approve such transactions.

(Information/details about directors, executives, and company secretary are provided in Attachment 1)

Remuneration for Directors and Executives

(1) Monetary Remuneration (The year 2024)

- Total remuneration of all directors (Meeting allowances and gratuities with meeting allowances and all audit committee remuneration) totaling 11, totaling 0.93 million baht (see details in the table in section 7.2)
- Total remuneration and the number of executive directors/executives of the company (salaries, bonuses, accommodation) totaling 6 persons (only the first 4 top executives including the former Vice President Accounting Division who retired, see details in the table in topic 7.2) in the amount of 18.28 million baht.

(2) Remuneration other than money

- Executive car

7.5 Information about employees

In 2024, the company has a total of 303 employees and subcontractor employees, divided into 237 males, representing 78.22% (excluding 2 disabled persons) and 66 females, representing 21.78% (excluding 1 disabled person). There is a total compensation of employees in the amount of 164.85 million baht, consisting of salary, wages, social security, compensation fund, welfare, and bonus money.

Employee development policy in addition to the company being certified for the quality management system ISO 9001: 2015, which covers overall management, and the implementation of job advancement development projects and position replacement plans to enable employees to be enthusiastic in their work and can see their own future progress. The company has also been certified for environmental management system standards ISO 14001: 2015, JIS H 4000, and IS 15392:2013, including training for executives and employees both inside and outside the premises.

Personnel development training

The company has developed the potential of its personnel to have knowledge, skills, abilities, and behaviours that are consistent with the organization's core values and corporate culture towards excellence in all aspects. The company realizes that personnel are valuable resources and are an important force in driving the organization. Therefore, it focuses on developing personnel to be quality person who are responsible for the organization and society. Their abilities will help promote the organization's sustainable growth. The company places importance on personnel and has set policies to focus on developing potential, skills, knowledge, and abilities to work for all employees appropriately and continuously equally, as follows:

1. Employee training plan There is an annual training plan for all employees in the organization, both in work that requires performing duties or other related work, to develop knowledge, understanding, and abilities to work correctly, safely, and appropriately in each position. According to the analysis of data from the survey, employee training is needed each year to find problems that are obstacles to employees' work due to lack of knowledge and skills in the work.

2. External training to develop potential, knowledge, and abilities according to the appropriate nature of work. The company has sent employees to attend training courses or seminars with external training institutions.

3. Internal training to develop the concept and potential and review the knowledge and ability of employees by specifying that executives or employees with knowledge and ability provide knowledge related to the company's business, including those with knowledge in the work to transfer and organize training within the organization regularly.

4. On-the-job training (OJT) for new employees and employees who are promoted. The company has organized on-the-job learning to have knowledge and understanding of the operations of each department to develop employees to be able to work more efficiently. Therefore, there is continuous training to provide knowledge to employees in both technical skills. Including employees who start new jobs with the company, there will be basic knowledge training for employees so that employees always learn first.

Training and development of executives and employees both within the facility and outside, consist of : -

• *Disclosure of information via the SETLink system, System - Improving the process of preparing and publishing the schedule of shareholder meetings on the SETLink system, How to apply for a company account/EF-3/Account Admin/Digital ID and use the IIS system, Exchange rate risk management (FX), CYBER VISION 2024: Adapt-Sustain-Breakthrough, Live Seminar: Risk Management on the topic of "Creating corporate value through risk management (Corporate Value Enhancement via Risk Management), Sustainability Innovation Program (SIP) & Sustainability Compass, Listening to opinions on amendments to the announcement of acquisition-disposal of assets and related transactions, Financial Reporting Standards 2024 and interesting accounting issues for listed companies, Sustainable Development Goals Handbook for listed companies and SDG Impact Standards, Class 1" (SDG Guidebook for Thai Listed Companies and SDG Impact Standards, Class 1), Insight in SET: Knowing all around for sustainable growth in the capital market, Comprehensive Human Rights Due Diligence (HRDD) under the business operation of promoting ethical migrant worker recruitment rights for listed companies ("Ltd."), Improving the criteria for*

material transactions (MT) and related transactions (RPT) of listed companies, Introducing the e-One Report function (Phase 1) on the SETLink system, Q&A on One Report preparation, Building immunity for listed companies with 3 lines of defense, IT VISION 2024: Sustainable Tech

- Campaign for investment in listed companies with ESG on the topic of “ESG, this word has meaning..., ESG Risks Management: Navigating Climate Risks, ESG-related risks and management: A practical guide for listed companies, Economic Update for CFO, TCFD Disclosure and Climate Risk, How AI will transform the CFO’s role, IR Sharing Webinar: The secret of success for Investor Relations, SET ESG Ratings Next Step: Preparing for FTSE Russell Assessment, ESG Risk Management Workshop, ESG Risks Management

- Director Accreditation Program (DAP) Batch 214/2024, Company Secretary Professional Development Program (CS Batch 2024), Roles and Responsibilities of Company Secretaries, AGM Checklist Quality Assessment 2024, Intensive 100% 2024 Review, Turning the Business Game to Think Systemically Beyond Accounting System, Opportunity Day Presentation Techniques,

- Knowing the Law... Knowing Rights... Investment Decrees, Creating Knowledge and Understanding of Personal Data Protection Laws for Government Agencies, Private Sectors and the General Public, Preventing and Suppressing Inappropriate Behavior of Listed Companies, Personal Data Protection Act B.E.2562 and 4 Subordinate Laws,

- Guidelines for Implementing Good Practices for the Transition of Thailand's Steel and Aluminum Industry to Low Carbon and reporting of Embedded Emissions, Reducing greenhouse gas emissions through the LESS and T-VER projects for the capital market business sector, Stepping towards a sustainable future for the Carbon Neutral and Net Zero goals of the industrial sector, Hydrogen combined with natural gas, a path to Carbon Neutral and net zero, Creating an environmental database of the aluminum industry group to support the Carbon Border Adjustment Mechanism (CBAM) measure - Verifying the accuracy of the Embedded Emission value, the project to strengthen Thailand's policies and industries to respond to the Carbon Border Adjustment Mechanism (CBAM) Phase 2, Preparing for environmental measures, Filling in CBAM data by the National Metal and Materials Technology Center (MTEC), Carbon Border Adjustment Mechanism (CBAM), Carbon Adjustment Measures Before Crossing Borders

- Project to develop establishments into green industries and create social awareness (under the cost of hazardous substance management and environment), suitability of methods for continuous verification, calibration of automatic air quality monitoring systems from chimneys, Log on Climate Action project: activate GHG steps to execution. Step Up Climate Action A major move to complete all GHG Scopes, energy management and energy saving systems in industrial plants

- Remote Pollution Monitoring and Warning System (POMS) and related laws for entrepreneurs, ISO 14064-1:2018 requirements for the organization's carbon footprint management standard (greenhouse gas), use of electronic approval and permission services (E-Service) for natural gas operators, draft PDP 2024 power generation development plan—does it meet the future? - National energy structure direction 2024: Thailand to NET ZERO does not lose trade competition What does PDP need to prepare?

- Developing online lessons with Thai MOOC using the Thai MOOC Enterprise support system and providing Microsite learning support services, creating identity, breaking through the Great Dragon's Encirclement, the survival of Thai SME businesses, promoting exchange rate risk management for NSTDA members.

- FTA expands business, conquers exports, trade remedies to protect and promote Thai trade potential, opening additional product markets under negotiations to enhance the competitiveness of trade in goods between ASEAN and India (AITIGA), techniques for assessing and evaluating export-import procedures

- Wage structure preparation, Wage and welfare survey project 2025, techniques for adjusting wages and managing wages and salaries to be in line with the adjustment of the minimum wage in 2024, in-depth analysis of important tax issues regarding wages and welfare that HR and executives should know, adjusting HR work and training according to ISO 9001:2015 and 14001:2015, benefits from the Labor Skill Development Fund, One Team One Goal

- Safety Committee, Occupational Safety, Health and Working Environment Committee (OSH), Occupational Safety Committee (OSH), Executive Safety Officer, Supervisor Safety Officer,

- Safety Department Executive, Safety in working with hazardous chemicals and emergency response, Basic fire drill and evacuation from fire, driving (Forklift) correctly and safely, calibrating temperature measuring instruments by electrical quantities, measuring instrument calibration system (Calibration System), air pollution treatment system operators, electrical work for employees who work with electricity

On-site management and staff development (orientation for new employees and review training related to work procedures) includes

- Orientation for new employees, benefits, compensation fund and social security fund, principles of selecting nut washers, principles of inspecting/checking belts (Belt Conveyor), principles of correct seal tape wrapping, Packing Coil Automotive Fin standards, vibration measurement standards, types of industrial gears, shape control symbols in drawings, symbols in electrical drawings of FSL2 machines, SET*IAA How should ESG data be prepared? To create interest in analysts and investors, Revise Packing Automotive Fin, Q-Point Etching Mixing Conditions, Roller, CA Defect, Female Knock Grade, Male Knock Grade (Bolt), Rubber Roller Cannot Press Up-down or speed up-down by itself while walking. Alarm Snubber Resistor Fault, Fastener Thread, Set High-Low Alarm Temperature of Head Box. Meeting to Clarify JD and OJT Preparation for Employees, 5S Activities, Ho Hung Ming Customer Attaches Tag to Work and Pallet. Coil Sheet Surface Inspection Report (FM-P-0021), Types of Jam Coupling, Butner Dyer Does Not Ignite, Cm02 DC motor rewinding commutator has burnt marks, Sequence of Inserting Scrap for charge scrap, What is a Timer and What Are the Types (OPL), Basic Conditions for Using SL4, SH2, TL2, CL Machines, finger slit conditions.

- Packing Operation Method, Resin Mixing and Usage Method, how to use a thermoscanner, How to check for cracks using the PT method, How to set the pressure of an August SF90 air pump, How to set the pressure of a Quincy QGD-90 air pump, Quincy QGDV-90, UPS300K, WI Activation of the Quincy air compressor, WI Calibrate the ORP meter. WI Method of checking the status of FSL 3 ready-to-use machines, WI Turning the UPS on-off, BCN I Power 40-80 KVA (FM3, FM4), WI Activation of the Quincy air compressor, Checking the sample sheet (WI-P-0063), checking the surface condition of the sheet (WI-P-0064), WI-P-0084 writing Coil number, WI-P-0085 controlling scrap, WI-P-0085 controlling scrap WI for START-UP/SHUT DOWN system, scooping water to test the pH hardness TDS value (WI-P-0114), machine control point SH2, machine control point TL2, machine control point CL, Time (Code meaning time, productivity) % OR, TIME Productivity, % OR (referring to TS-P-0049), Limit Defeat (oil stain stops on the sheet), Limit defect (scratches from the Nip roll FCL roller).

- Steps for entering Offset words on a Fuji PHC Recorder, steps for entering Logging values on a Fuji PHC Recorder, operating steps for the FSL 3 scrap press, steps for receiving finished goods into the warehouse, operating steps for each department, OPL problems with slitting multiple lines of work where the plates are bulging, OPL causes of unequal widths of aluminium plates after slitting, OPL units for measuring NG quantities, basic knowledge of PVC pipes, general knowledge about Y-Strainer, safety in using cranes, basic knowledge about mechanical seals, general knowledge about Y-Strainer, general knowledge about check valves, knowledge about ISO, GMP, HACCP

- FA-Motor Cooling R/W is broken (FCL 1), DC Motor removing Inboard CM02 (Fa), FA Leveler does not rotate FCL1, FA Plate squeezes at Steering No.2 FCL1, FA-Oren 1, 2 points do not stick (FCL 1), FA FCL1 AC Motor Degreaser Drian pit is broken, FCL 1 Oven 1 points do not stick (FA), FCL Motor Pump Rinse No. does not work (FA), FCL 1 Oven 1 points do not stick (FA), FA Motor mounting bracket, gear roller, Pass line roll in the washing water tank is torn FCL2, FA PLC Alarm Dous Follett, FA-Temp Dryer 1 temperature swings up/down (FCL 2), FA FCL2 CPC Auto does not work.

- FSL2 Tension decreases by itself (FA), FSL2 Load (FA), FA Cylinder Contact roll R/W2 leaks neck seal/diaphragm plate is broken FSL3, FA-Condensate tank return pipe leaks Boiler, FA-E-Stop machine (FSL3), FA-E-Stop Drive Alarm AO17 machine (FSL3), FA-Flat scrap compressor FSL3 cannot be reversed, FA-Flat scrap stuck in Chopper FSL3, FSL3 Drive Percenter Adam F00003 Check Fuse is not broken (FA), FA-Self-flowing plate (FSL4), FA-RW Mandrel nut broken, FA24050191-OC69 Crane falls down by itself, FA-Hot Ari Blower ball bearing broken, FA-Slide Base mounting nut broken on PO side (Cm2), FA Water Chiller x-ray alarm, FA-Steam connection leaking at flange, FA Double stroke head does not Clamp lock pressure, FA-Wrinkled plate after exiting SQ Roll #14-15, FA24040054 Burner Zone 1+2 often stops, FA Lock nut blade cannot be locked, FA Change Reject roller, belt guide groove does not go into groove; FA-rewind mand stud bolt holding Flange Rewind Mandrel broken in 4 pieces, FA Fix Reject roller shaft swinging SH2, FA Pull Rod Mandrel broken on RW side (SL4), FA SL04 L-Stop display frozen*bridle

Exit motor, FA (CM02) Alarm bus fault, FA CTE.6 C AMP Heater Filter not up), FA CTEG C Heater Degasser Not working, FA CTE6-24090010 Oil leak under Caster roll, FA CTE6-24100071 Rotor not fully tightened, FA.MF1 (burner off, no ignition), FA MF4 (raw burner), FA.HF1 (burner off)

- FA (HF4 burner off), FA240090402-AF3 Coil Car Chain broken and gear broken, FA.AF3C Temp Control Display Alarm, FA Bearing bridle Roll set broken (FA4), FA24050428-AF07 RC Fan Zone Z has loud noise, FA24050425-AF13 During baking, smoke comes up from the Rs fan ZZ area, FA 24090169-AF13 Rs fan Zone 3 Bearing is broken and has a crack, FA AF13 can't ignite the oven with Alorm Instrument, FA-AF13 Z1 temperature rises slower than Z2+3, FA.AF14 C Burner Z B1 often stops, FA AF14 Combustion belt is loose Low Pressure, FA.AF15 (fan 23 is loud), FA AF15 Burner stops all Zones at the same time, FA AF15C oven doesn't ignite PLC Anchal, FA 2405-AF16 Coil Car can't enter the oven, FA24080241-0C69 makes a loud noise going up and down, FA24080049-AF10 Noisy at RC Fan, FA Low-pressure Hid. Power Unit, Re-Circulate Pump Noisy, FA-Crumpled plate after after-treat, FA Tempa sonic on DS side, FA-Coupling drive WR, Gear Mill side broken, Mill inboard delta ACB Trip (FA), Alarm E-Stop (FA) Cm02

- Preparation of CAP STOCK work plate of SH2 (OPD30165-001/O1, Attaching aluminum plate showing Coil No. before baking (POD30367-003/O1), Slitting the sample plate to check the Wetting Tension (Dyne) value (OPD30367-004/C1), Weighing sleeve before working SL4 (OPD30167-001/Q1X), Hand protection entering the roller of the scrap winder (OPD30267-002/S1), Coil inspection before pulling and cleaning in case of trim work, each side edge 5 mm. (OPD30559-003/Q3), Marking the side of the Coil before entering the machine (OPD30959-005/Q4), Tip base tapping problem OPD 10167 Q2, Timber chip indication OPD10667-011, Coil wrapping OPD10164-01, Coil finder plate immersion OPD10267-05, Method of solving the problem of Caster Roll plate sticking (OPD10167-003/O1), Selection of CERAMIC FOAM TER (OPD10167-002/O2), Finding the line and attaching the FIN work tag, Using the vibration measurement tool, Opening the UPS model BLN I power 40-80 KVA (FM3, FM4), Assembling the cross shaft (Universal joint), Setting the Data logger GL240 or GL840 for the edge reading sensor at SH02.

- Troubleshooting when the Spectrometer does not Spark, Receiving finished goods into the warehouse, Scrap control, swing scrap pipe without a crane, Packing Trad work, Adjusting Air and gas. AF11, 12, 13, 15 and 16, Mixing oil for spraying Cap Stock at CL, Leak testing of Steam heater FCL1, Using Ironing roll FCL2, Reading water value from the meter, Using Inspection Report form, Waste separation, Wiring and Setting Fuji-Frenic-mini Parameter, Corrosion of aluminium, Recording In-out Caster Coil Scrap data, Storing Cast coil welding wire after use OPD10567-09, Using 4-20 MA multimeter, Machine inspection for Machine type Operation. Overhead Crane, Crane Load Test WI, Checking Cepeda Pump Parts from Standard Table, Checking Cepeda Pump Parts from Standard Table, Checking Electric Furnace Leakage Checking System (IF) Lining Check), Checking Cepeda Pump Parts from Standard Table, Wrapping Electrical Tape, Connecting the Guard Wire (Ground Bond) between Gas Pipe Faces), Hotspot and Cold Spot Aft Test, Checking IGBI Module Equipment, Pack Operation, Changing Input Recorder Type, Controlling Sh2, TL2, CL Machine, Analyzing Basic Belt Problems, Calibrating Putt Mater (WI-E-0036), Calibrating Tempotron Oven, Calibrating ORP Mater (WI-E-0037), Calibrating XRF Curve, Turning S6-Series Look On-Off, Stimulator During Machine Operation Speed Up-Down By Itself, Chip Control, Adjusting Actuator Controller PMR₃ Position, Adding Flux (OPD10267-2006/04)m Stamp Rohs, Crane Operation and Control Referring to WI-P-0086 Overhead Crane Inspection and Operation, Cost Reduction According to Company Policy, Using VPPC Program, Water Control (WI-P-0114), Finding FA in VPPC Program, Preparing Data to Fill in Supplier Master in SAP System, Preparing Data to Fill in Customer Master in SAP System, Writing Work Order (PDF-18), Writing Coil Number

- Guidelines for Implementation of Good Practices for the Transition of Thailand's Steel and Aluminum Industry to Low Carbon and Reporting Emissions Values

7.6 Other Important Information

7.6.1 List of person assigned to be directly responsible for supervising accounting, company secretary, internal audit supervisor, or externally employed internal auditors. The head of the company's compliance department (compliance) and attach the information of the person assigned to it are in the attachment.

The person assigned to be directly responsible for supervising the accounting.

- Ms. Nittaya Pinyo, Accounting Manager, Accounting Department, E-mail: nittaya@varo.thai.com, has been appointed as a person directly assigned to be responsible for supervising accounting (Accountant) on January 1, 2025, replacing Ms. Wasana Suksayan, who was directly assigned to be responsible for supervising accounting, who retired on December 31, 2024, with qualifications and conditions of being an accountant according to the criteria specified in the announcement of the Department of Business Development and has continuous training to develop knowledge in accounting.

(There is information/details about the person assigned to be directly responsible for supervising the accounting in Attachment 1)

Company secretary

- Mr. Pramot Hansakul, Vice President Legal affairs E-mail: pramot@varo.thai.com

The Board of Directors has resolved to appoint Mrs. Soranee Deephanphongs, Director of the Company, to the position of Company Secretary since August 11, 2008, and resigned from her duties on March 9, 2020. The Board of Directors has resolved to appoint Mr. Pramote Hansakul, Director of Legal Affairs, to the position of Company Secretary since March 9, 2020, replacing Mrs. Soranee Deephanphongs.

(There are information/details about Company Secretary as per Attachment 1)

Internal Audit Supervisor / Externally Employed Internal Auditor, it is the use of services outside the company (outsource).

- Ms. Ruethaichanok Supapong from Dharmniti Internal Audit Co., Ltd.

The Board of Directors agreed with the Audit Committee's proposal to use the outsourced services of Dharmniti Internal Audit Co., Ltd., effective from February 26, 2021, onwards. The Audit Committee has appointed Dharmniti Internal Audit Co., Ltd. by assigning Ms. Ritthichanok Supaphong as the company's internal auditor to oversee the company's operations to ensure compliance with laws, regulations, rules, and requirements from relevant agencies. The company's related employees will support the operations and coordinate with the appointed auditors.

Head of the compliance department of the company (compliance)**7.6.2 Head of Investor Relations and Contact Information**

- Mr. Pramot Hansakul, Vice president Legal Affairs / Company Secretary has been assigned to perform investor relations duties for the company.

7.6.3 Auditor's remuneration Audit firm where the auditor works

(1) Audit fee paid by the company to Ms. Watoo Kayankannavee, CPA No. 5423 affiliated with EY Office Limited for the fiscal year ended December 31, 2024, totaling 1,400,000 baht

(2) Other service fees (non-audit fees) are collected as necessary as actually paid, such as travel expenses, and accommodation expenses, but not exceeding 120,000 baht, which is in accordance with general practice.

8. Report on key corporate governance performance

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

The Board of Directors plays an important role in formulating policies and strategies that lead to increasing competitiveness, building culture and corporate values. Including enhancing the supervision of the adequacy of the internal control system and risk management of the organization. Giving other opinions that are beneficial to the development of the organization

8.1.1 Recruiting, developing, and evaluating the performance of the Board of Directors

In late 2007, the Board of Directors appointed and assigned the Audit Committee to serve as the Nomination and Remuneration Committee to perform such duties as assigned. It is also responsible for selecting and screening qualified person according to the Company's policy and nominating candidates for consideration. with suitable qualifications and submit their opinions to the Board of Directors for approval from the Board of Directors. Subsequently, the names of such directors will be presented to the shareholders' meeting for the election of directors according to the following criteria.

The company did not have a nomination committee at the end of 2007. The Board of Directors resolved to appoint and assign the audit committee to act as the nomination and remuneration committee. In the past year, the committee 1 meeting was held to consider the recruitment, selection, and screening of qualified person according to the Company's Articles of Association to be appointed as directors/managing director and present names to the Board of Directors for consideration. appointed as a director. The shareholders' meeting, with a majority vote of the number of shares attending the meeting and voting, shall consider approving it. the following method

Appointment: Directors shall be elected by the shareholders' meeting in accordance with the criteria. and the following methods

- 1) One shareholder has one vote = 1 share per 1 vote.
- 2) Each shareholder must use all the votes he has under (1) to elect one person or several.
person can be a director but cannot share his or her voice with anyone in any amount.
- 3) Persons receiving the highest votes in descending order will be elected as directors = the number of directors to be elected at that time. In the event that person elected in descending order have equal votes which would otherwise exceed the number of directors required or to be elected at that time. The chairman shall have a casting vote. In addition to retirement by rotation according to the Company's Articles of Association, the Board of Directors shall select any person with qualifications and has no prohibited characteristics under the law on public limited companies to be a substitute director at the next Board of Directors' meeting.

As for the recruitment of high-level executives, the Executive Committee will consider the preliminary screening, recruiting, qualified person, having skills, knowledge, ability, expertise, specific experience, and understanding of business operations. of the company as well and able to manage the work to achieve the objectives, goals, which the Board of Directors has set and then present to the Nomination Committee and consider selecting suitable persons in terms of knowledge, experience and expertise, determining qualifications, criteria, knowledge and skills, to present the list of names to the Board of Directors and/or the shareholders' meeting for consideration and appointment.

The Board of Directors arranges for the performance assessment of the Board of Directors, sub-committees, and individual self-assessment by using the self-evaluation form of the committee of the Corporate Governance Development Department for Capital Markets, SET.

The evaluation form of the Board of Directors focuses on the application of evaluation results to improve the performance of the Board of Directors with the following evaluation criteria:

- 0 = no action taken on that matter
- 1 = Little has been done on the subject
- 2 = There has been some action on that matter.
- 3 = Well done on that subject

4 = Excellent action on that subject

The evaluation form for the Board of Directors as a group consists of 4 main topics, namely:

Main topic		Performance evaluation score (%)									
		Evaluation criteria 2024					Evaluation criteria 2023				
		4	3	2	1	0	4	3	2	1	0
1	Structure and characteristics of the board:	86	13	1	-	-	78	22	-	-	-
2	Board meetings:	92	8	-	-	-	78	22	-	-	-
3	Roles, duties and responsibilities of the board:	80	20	-	-	-	61	34	5	-	-
4	Other matters:	91	9	-	-	-	60	35	5	-	-

The evaluation form for the Board of Directors on an individual basis consists of 4 main topics as follows:

Main topic		Performance evaluation score (%)									
		Evaluation criteria 2024					Evaluation criteria 2023				
		4	3	2	1	0	4	3	2	1	0
1	Structure and characteristics of the board:	91	9	-	-	-	80	20	-	-	-
2	Board meetings:	87	11	2	-	-	83	17	-	-	-
3	Roles, duties and responsibilities of the board:	96	4	-	-	-	76	24	-	-	-

Summary: The evaluation results of the board of directors in 4 topics, most agreed that the implementation was excellent (Excellent 85 from 69%, Good 14 from 28%, Fair 1 from 3%)

Summary: The evaluation results of the board of directors in 3 topics, most agreed that the implementation was quite excellent (Excellent 92 from 80%, Good 7 from 20%, Fair 1 from 0)

The evaluation form for the Audit committee as a group consists of 4 main topics, namely:

Main topic		Performance evaluation score (%)									
		Evaluation criteria 2024					Evaluation criteria 2023				
		4	3	2	1	0	4	3	2	1	0
1	Structure and characteristics of the board:	90	10	-	-	-	78	22	-	-	-
2	Board meetings:	94	6	-	-	-	61	33	6	-	-
3	Roles, duties and responsibilities of the board:	75	19	3	3	-	53	28	19	-	-
4	Other matters:	-	-	-	-	-	33	50	17	-	-

The evaluation form for the Audit committee on an individual basis consists of 4 main topics as follows:

Main topic		Performance evaluation score (%)									
		Evaluation criteria 2024					Evaluation criteria 2023				
		4	3	2	1	0	4	3	2	1	0
1	Structure and characteristics of the board:	100	-	-	-	-	67	33	-	-	-
2	Board meetings:	100	-	-	-	-	83	17	-	-	-
3	Roles, duties and responsibilities of the board:	100	-	-	-	-	60	40	-	-	-

Summary: The evaluation of the audit committee in 4 topics in general, most agreed that the implementation was good to excellent (Excellent 82% from 56.3%, Good 14% from 22.3%, Fair 2% from 10.4%, Slight 2% from 0)

Summary: The evaluation of the audit committee in 3 topics in general, most agreed that the implementation was quite excellent (100 from 70%, Good 0 from 30%)

8.1.2 Meeting Attendance and Remuneration for individual directors

(Disclosed in Section 7.2 – 7.3)

8.1.3 Supervision of operations of subsidiaries and/or associated companies

The company has no subsidiaries or associated companies.

8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

The Company places great importance on good corporate governance by stipulating relevant codes of conduct/policies and guidelines in the Code of Conduct and Corporate Governance Code (CG Code), as well as promoting genuine practice to build confidence among the stakeholders. Stakeholders are monitored to ensure compliance with good corporate governance and have already been disclosed in Section 6.

In addition, the company has followed up to achieve compliance with good corporate governance in 4 other issues as follows:

(1) Prevention of conflicts of interest

The Company has established a code of conduct/policy that the Board of Directors, executives, and employees must perform their duties in the best interest of the Company. In the event that any person has an interest or involvement in the transaction being considered, he or she must notify the supervisory authority and not participate in the consideration of the transaction. In the past year, cases that may cause conflicts of interest have been disclosed in Section 9 Related Party Transactions.

(2) Using inside information to seek benefits

The company has a code of conduct/policy and procedures for supervising executives in using inside information of the company for their own benefit or for securities trading by requiring executives to report their securities trading as required by law and in accordance with good corporate governance principles. It has already been disclosed in item 6 because if the holding of securities is moving, it can be an indicator of honesty and in the past, there was no movement of the holding of securities, or it appeared that the company's executives used internal information for personal benefit in any way.

(3) Anti-corruption

The company has a code of conduct/policy to operate legally and encourage employees of the company to work with morality and ethics, including encouraging business partners of the company to operate properly, with transparency as well along with creating awareness, values, and right attitudes at all levels, providing checks and balances, and effective internal control systems, no conflicts of interest, so that the code of conduct / anti-corruption policy, the company's policy has been treated in a concrete manner and is considered the company's work regulations that all employees must comply with.

In addition, the company has joined in announcing its intention to join the Thai private sector's Collective Action Coalition (CAC), which is a collaboration of 8 leading organizations, including the Thai Institute of Directors Association (IOD), Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers Association, Thai Capital Market Business Council, Federation of Thai Industries, and the Tourism Industry Council of Thailand from November 1, 2021, the company has a period of 18 months to prepare an evaluation form and improve the system to apply for certification with CAC and to receive a certificate of membership in the Thai Private Sector Collective Action Coalition Against Corruption (CAC) from The Thai Private Sector Collective Action Coalition Against Corruption Committee certifies that the company has passed the self-assessment process to have policies and practices, including various measures to prevent corruption within the organization, in accordance with the CAC's criteria, but the company has not yet completed the assessment and improved the system to apply for certification with CAC and to receive the certificate within the specified time frame, so it must resubmit the declaration of intent to be a Private Sector Collective Action Coalition Against Corruption (Collective Action Coalition: CAC) within the time frame specified by CAC. In 2024, the company has not yet submitted the declaration of intent. It is expected that it will submit the declaration of intent within 2025.

How ever, the company has appointed a working group to arrange self-assessment and improve the system to combat by allowing all departments to participate in expressing their opinions, as well as setting guidelines and anti-corruption measures to be used as guidelines for practice within the company.

The company has provided channels for complaints or whistleblowing from illegal actions, a code of conduct, an anti-corruption policy, and behavior that may imply corruption or misconduct of individuals in the organization. This

includes employees, executives, and stakeholders through the complaint and whistleblowing system. (Whistleblower) other than written notice via e-mail, letter, or comment box. If you see a violation of compliance with rules, or regulations set by law, misconduct in regard to good governance, corrupt acts, or witness unethical acts and anti-corruption policies of the company.

In addition, the Internal Audit Office will assess, and monitor good governance, compliance with the Code of Conduct, and Anti-Corruption Policy and report to the Audit Committee.

(4) Whistleblowing (Whistleblowing)

To ensure that the Company's business operations are correct, appropriate, fair, and verifiable. The company, therefore, has established a code of conduct/policy to provide channels for complaints or whistleblowing from illegal actions, a code of conduct/policy against corruption or behavior that may result in fraud or misconduct of persons in the organization Any person, if witnessing an action that is considered fraudulent, corrupt or implied corruption that directly or indirectly affects the Company, must not ignore or ignore such behavior and should report through the official channels. Received the matter which has already been disclosed in Section 6, Subsection 12. Ethics on Anti-Corruption, Whistleblowing, and Complaints.

8.2 Report on the performance of the Audit Committee in the past year

8.2.1 Number of meetings and meeting attendance of individual audit committee members It has already been disclosed in Section 7.3.

8.2.2 The performance of the audit committee has been disclosed in the topic Attachment 6 Report of the audit committee.

8.3 Summary of performance of other committees

8.3.1 Number of meetings and meeting attendance of individual committees

8.3.2 The results of the performance of such sub-committees as assigned by the Board of Directors.

The company has disclosed the number of meetings and attendance of meetings, the performance of the sub-committees of the company, which is the only one committee, which is the Audit Committee which acts as the Nomination and Remuneration Committee as well, in item 8.1.1

9. Internal control and related transactions

9.1 Internal Control

In addition to company directors and executive directors, executives will manage and control within a certain level. The company also has an audit committee which is independent, totaling 3 members, with a qualified director in accounting as a director and an internal auditor hired from outside. It is the use of services outside the company (outsourcing) from Dharmniti Internal Audit Co., Ltd. which the Audit Committee and internal auditors have audited, supervised by examining documents and evidence, asking for information from the management and related party, including attending consultation meetings, exchanging opinions with the management. In the past year, inspections were carried out as follows:

- **Subject: Production and quality control:** In the area of determining the production formula to meet the standards set by the customer, taking orders from customers to plan production correctly and in time for the delivery schedule that the company agrees with the customer, disbursement, raw materials for aluminum smelting follow the chemical values specified by the company, recording of production data is accurate and timely, quality inspection of work in progress and finished products is in accordance with the company's standards and specified by the customer, reporting of production results in a timely manner, controlling waste from production according to regulations/policies set by the company.

- **Subject: General control of information technology systems:** In the area of preparation of information technology security policy, information technology security structure management, personnel security management, organization's asset classification, control, access to information technology systems, physical security management, and environment, communication of network operations, information technology security, information technology system development and maintenance, information technology system continuity management plan,

compliance with legal requirements (Storage of computer traffic data and prevention of copyright infringement of software according to law)

- **Subject: The product sales process:** In terms of product sales management and recruiting new customers according to the goals expected by the management, considering new customers, and reviewing existing customers according to the regulations set by the company, preparing, the quotation is in accordance with the set of sales prices approved by the authorized person (Price List), the granting of discounts is in accordance with the approval authority specified by the company, the receipt of orders from customers and the preparation of sales orders are correct and complete, and timely, paying sales compensation to employees and outsiders according to the regulations set by the company, determining appropriate access rights to information related to the customer database and product sales prices in the AX system and according to the rights set by the company, reporting of work performance (KPI) is accurate for the purpose Calculation criteria set by the company and actually met.

- **Subject: Warehouse control:** In the section on receiving raw materials, spare parts, and consumables, products from the seller are as listed with quantity and conditions specified in the purchase order, checking the quality of raw materials received from the seller according to the regulations/policies set by the company, recording receipts and payments of raw materials, spare parts, and consumables and finished goods in the AX system are accurate and timely, collecting supporting documents for receiving -Pay raw materials, spare parts, and consumables and finished products delivered to the accounting department in a complete and timely manner, storing raw materials, spare parts, and consumables and finished products in the designated area and store in an appropriate environment, counting raw materials, spare parts, and consumables and finished products according to regulations/policies set by the company, adjustment of differences found from counting according to regulations/approval authority set by the company, control of recording rights and edit information related to controlling the inventory of raw materials, spare parts, and consumables. and finished products in the AX system are appropriate and according to the rights specified by the company.

However, in order to comply with the company's operating regulations, as well as amending the internal control system to be appropriate, have sufficient performance. In addition, the audit committee discussed with the internal auditors to plan and approve the annual audit plan. The audit result from the overall condition was good, and satisfactory by the audit committee. take a test (It has already been opened in the topic of Attachment ๘, Report from the Audit Committee). Therefore, the Board of Directors views that the internal control system as well as the monitoring and supervision of the Company's operations are sufficient and suitable for the current situation. There was no evidence that the Company's executives used the Company's assets illegally or without authority.

The Company attaches great importance to the establishment of a good internal control system. This is in line with the principles of good corporate governance by performing duties with transparency, fairness, credibility, and having a check and balance mechanism. can be audited, which will lead to the best interests of shareholders, employees, and all stakeholders. The Board of Directors has assigned the Audit Committee to review and ensure that the Company has good internal control and internal audit systems, as well as review the Company's operations to be in accordance with appropriately and efficiently to ensure that the Company has a business operating system that complies with the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission.

9.1.1 Adequacy and suitability of the company's internal control system

9.1.2 Deficiencies in the internal control system

From the audit of internal auditors, Dharmniti Internal Audit Co., Ltd. from outside the company (outsourced) has reviewed and assessed the sufficiency of the company's internal control system and tested the operation according to the company's internal control system. There were observations found from the review and there was progress in the follow-up and remedial actions. The Audit Committee acknowledged the review report and assessed the adequacy of the internal control system and informed the company's management to acknowledge and improve the observations found from the audit. In which the aforementioned issues were found to have risks at many medium levels. The Audit Committee therefore initially considered that the Company's internal control system was still at an acceptable level.

9.1.3 Opinions of the Audit Committee in case of differences between the opinions of the Board of Directors or the auditor's remarks on internal control.

- do not have -

9.1.4 Opinion of the Audit Committee that oversight of the incumbent, the head of the internal audit has qualifications, education, experience, and training that are appropriate and adequate for the performance of duties.

The Company has used the services of an external agency (outsourced) from Dharmniti Internal Audit Company Limited to act as an internal auditor for the Company. which has been screened by the audit committee in proposing to use the service, the service provider has sufficient qualifications to perform duties as disclosed in Attachment 3.

9.1.5 Appointment, dismissal, and Transfer of internal audit supervisors

- do not have -

9.2 Related Transactions

As of December 31, 2024 and 2023

Unit: million baht

Related Transactions			2024		2023	
Related companies	Item characteristics	Relationship	Value	Balance	Value	Balance
Thai Metal Works Company Limited	The company leases a 250-square-meter building to be used as the company's office. The lease term is 1 year, ending on December 31, 2024, at a monthly rental rate of 20,000 baht. The tenant has the right to renew the lease upon expiration upon written notice, which is following normal business operations and general trade conditions as agreed upon. However, due to the COVID-19 situation, the company has been gradually reduced and exempted from rent collection since 2020.	is a major shareholder of the Company holding 48.59 percent of the total number of shares of the Company	0.24	-	-	-
MALC-Thai Co., Ltd. and Thai-MC Co., Ltd.	DISTRIBUTOR - SALES AND PURCHASE AGREEMENT by appointing MALC-Thai Co., Ltd. as a distributor to distribute aluminum products to Japanese customers under general trading conditions, namely cost plus margin from January 27, 2022, the contract period 1 year and year per year	- MALC-Thai Co., Ltd. is held by MA Aluminum Corporation (formerly Mitsubishi Aluminum Co., Ltd which is the major shareholder of the company holding 13.39 percent of the total number of shares of the company). in the proportion of 49.00 percent and with Sasano Max Thailand holding 51%	810.75	215.87	833.65	141.66
Mr. Sanchai Chaixanien as a co-owner	The company leases the land in front of the company's factory area, totalling 9 rai, for the company's business use and as a parking lot. The lease term is 1 year, ending on December 31, 2024, at a rental rate of 15,000 baht per month. The lessee has the right to renew the lease when the term expires, with written notice. This is following normal business operations and general trade conditions as agreed. However, due to the COVID-19 situation, the company has been reduced and exempted from rent collection since 2020.	Former CEO/Chairman of the Board of Directors, Mr. Sanchai Chaixanien holds shares representing 0.77 per cent of the total number of shares of the company.	0.18	0.18	-	-

Related Transactions			2024		2023	
Related companies	Item characteristics	Relationship	Value	Balance	Value	Balance
Niti Innotech Co., Ltd. (former name Niti Casting Co., Ltd.)	The company hires steel fabricators to produce necessary consumables according to normal business operations and generally agreed terms and conditions compared to market prices.	having common directors with the company are: Mr. Sahasee Chitanondh, Lt. Kamolnai Chaixanien and Mrs.Sorranee Deephanphongs.	-	-	0.18	-
	has bought aluminum (scrap) that is not used by the company which is in accordance with normal business operations and general trading conditions comparable to market prices.		0.19	0.004	0.10	-
United Construction Materials Company Limited	The company has purchased piles along with driving services for foundations for machines and buildings from the pile manufacturer, which is in accordance with normal business operations and general trade conditions agreed upon, comparable to market prices.	having common directors with the company are: Mrs.Sorranee Deephanphongs, Lt. Kamolnai Chaixanien and Mr. Sahasee Chitanondh,	-	-	0.21	-
Thaiwadee Engineering Co., Ltd.	The company rents one furnished apartment with electrical appliances for use as a residence for a Japanese engineer from January 1 - August 31, 2024, at a rental rate of 65,000 baht per month, and from September 1, 2024 - August 31, 2025, at a rental rate of 75,000 baht per month, plus utility fees, which are following normal business operations and general trade conditions agreed upon, comparable to market prices.	having common directors with the company are: Lt. Kamolnai Chaichanian and Mrs. Sorranee Deephanphongs	0.92	0.006	-	-

The above-related transactions are fair transactions and do not cause a transfer of benefits. The Audit Committee has approved the review of such transactions. It is in accordance with the nature of normal business, and the reasonableness of the transaction. Including according to the market mechanism, the market price is equivalent to the price made with general outsiders by following regulations has passed the proper approval process and will continue to be available in the future as necessary under conditions of normal commercial operation by using the policy of trading, negotiating according to market mechanisms, and no transfer of benefits.

(see financial statements and notes to financial statements)

Part 3**Financial Statements****(Annual financial statements ended 31 December 2024)****REPORT ON THE BOARD'S RESPONSIBILITIES TOWARDS THE FINANCIAL REPORT**

The Board of Directors is responsible for the Company's Financial Statements including the information as appeared in the Annual Report, which are made in accordance with the generally accepted accounting standard, with consideration in choosing an appropriate accounting system and using such on a regular basis. Significant data must be sufficiently disclosed in the Notes accompanied by the Financial Statements in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange in regard to the arrangement and presentation of the Financial Statements according to the Securities and Security Exchange Act B.E.2535.

The Board has appointed the Audit Committee consisting of independent directors to examine and supervise the Financial Statements, to assess the internal control system and the internal audit to achieve efficiency, to assure that the recording of factual accounting is correct and complete in sufficient time and punctually, and to protect against any wrongdoing or irregularity according to the opinion of the Audit Committee as appeared in the Audit Committee's Report which is shown in this year's Annual Report.

The Board is of the opinion that the internal control system and the internal audit system are able to create reasonable confidence towards the believability of the Company's Financial Statements, showing correct financial position, operation results and cash flow



(Mrs.Sorranee Deephanphongs)

Chairman of the Board



(Mr.Thanawat Sornjai)

Managing Director

Independent Auditor's Report

To the Shareholders of Varopakorn Public Company Limited

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Varopakorn Public Company Limited as at 31 December 2024, its 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 Company 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.

Sales

Revenue from sales is considered to be a significant account to the Company's financial statements because the recorded amount directly impact the Company's annual profit and loss. In addition, volatility in the prices of the main raw materials

for production and the competition in the rolled and sheet aluminium production industry has directly affected the sales. I therefore focused on the recognition of sales income, particularly on the occurrence of sales.

I have examined the revenue recognition of the Company by assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and expanded the scope of the testing for the sales transactions occurring near the end of the accounting period. In addition, I reviewed credit notes that the Company issued after the period-end and performed analytical review procedures on disaggregated data to examine any anomalies that may have occurred in the sales transactions throughout the accounting period, particularly those entries made through journal vouchers.

Provision for diminution in value of inventory

Estimating the net realisable value of inventory is an area requiring management judgment. In addition, the Company's inventories mainly consist of semi-finished aluminium products, and the key raw materials for these product is aluminium ingot, of which the price depends on global market prices. There is thus a risk with respect to the amount of the provision set aside for diminution in the value of inventory.

I assessed the method and the assumptions applied by management in determining such provision by gaining an understanding of the basis applied in determining the provision for diminution in value of inventory and reviewing the consistency of the application of that basis, comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover, and comparing net realisable values from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the 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 Company 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.

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.

Wattoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 28 February 2024

Statement of financial position
As at 31 December 2024

(Unit: Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Assets			
Current assets			
Cash and cash equivalents	7	72,206,560	1,291,614
Trade and other receivables	6, 8	734,779,913	466,201,292
Inventories	9	863,267,581	717,088,746
Other current assets	10	58,592,539	78,526,241
Total current assets		<u>1,728,846,593</u>	<u>1,263,107,893</u>
Non-current assets			
Restricted bank deposits	24.2	400,000	400,000
Property, plant and equipment	11	776,260,004	834,310,949
Intangible assets	12	743,180	871,941
Other non-current assets		65,000	365,000
Total non-current assets		<u>777,468,184</u>	<u>835,947,890</u>
Total assets		<u><u>2,506,314,777</u></u>	<u><u>2,099,055,783</u></u>

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

Statement of financial position (continued)
As at 31 December 2024

(Unit: Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from			
financial institutions	13	170,252,060	219,198,029
Accounts payable - trust receipts	13	873,779,586	701,751,039
Trade and other payables	14	388,197,403	228,030,092
Current portion of lease liabilities		979,701	926,106
Current portion of long-term loans	15	25,200,000	25,788,000
Derivatives liabilities	26.1	1,458,529	11,144,346
Other current liabilities		54,006,228	12,830,623
Total current liabilities		1,513,873,507	1,199,668,235
Non-current liabilities			
Lease liabilities, net of current portion		1,741,951	2,721,652
Long-term loans, net of current portion	15	36,400,000	61,600,000
Provision for long-term employee benefits	16	15,896,172	26,981,325
Deferred tax liabilities	20	35,173,809	35,006,128
Other non-current liabilities		1,266,440	1,546,426
Total non-current liabilities		90,478,372	127,855,531
Total liabilities		1,604,351,879	1,327,523,766

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

Statement of financial position (continued)
As at 31 December 2024

(Unit: Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Shareholders' equity			
Share capital			
Registered			
100,000,000 ordinary shares of Baht 5 each		500,000,000	500,000,000
Issued and fully paid			
99,902,123 ordinary shares of Baht 5 each		499,510,615	499,510,615
Share premium		374,400,000	374,400,000
Retained earnings			
Appropriated - statutory reserve	17	50,000,000	50,000,000
Unappropriated (deficits)		(178,738,377)	(309,169,258)
Other component of shareholders' equity	18	156,790,660	156,790,660
Total shareholders' equity		901,962,898	771,532,017
Total liabilities and shareholders' equity		2,506,314,777	2,099,055,783

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

Statement of comprehensive income
For the year ended 31 December 2024

(Unit: Baht)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Profit or loss:			
Revenues			
Sales		2,982,924,742	2,509,760,126
Other income			
Gain on exchange		40,911,146	7,144,776
Others		5,005,346	7,442,752
Total revenues		<u>3,028,841,234</u>	<u>2,524,347,654</u>
Expenses			
Cost of sales		2,738,629,791	2,474,575,794
Selling and distribution expenses		46,468,996	39,818,366
Administrative expenses		57,123,367	55,179,964
Loss on derivatives revaluation		1,458,529	11,144,346
Total expenses		<u>2,843,680,683</u>	<u>2,580,718,470</u>
Operating profit (loss)		<u>185,160,551</u>	<u>(56,370,816)</u>
Finance cost		(54,561,989)	(53,172,002)
Profit (loss) before income tax		<u>130,598,562</u>	<u>(109,542,818)</u>
Income tax benefit (expense)	20	(167,681)	1,033,254
Profit (loss) for the year		<u>130,430,881</u>	<u>(108,509,564)</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods</i>			
Actuarial gain - net of income tax		-	1,582,861
Total other comprehensive income not to be reclassified			
to profit or loss in subsequent periods		-	1,582,861
Other comprehensive income for the year		<u>-</u>	<u>1,582,861</u>
Total comprehensive income for the year		<u>130,430,881</u>	<u>(106,926,703)</u>
Basic earnings per share	22		
Profit (loss) for the year		<u>1.31</u>	<u>(1.09)</u>

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

Statement of changes in shareholders' equity
For the year ended 31 December 2024

(Unit: Baht)

			Retained earnings		Other component of shareholders' equity	
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated (deficits)	Other comprehensive income Surplus on revaluation of assets	Total
Balance as at 1 January 2023	499,510,615	374,400,000	50,000,000	(202,242,555)	156,790,660	878,458,720
Loss for the year	-	-	-	(108,509,564)	-	(108,509,564)
Other comprehensive income for the year	-	-	-	1,582,861	-	1,582,861
Total comprehensive income for the year	-	-	-	(106,926,703)	-	(106,926,703)
Balance as at 31 December 2023	499,510,615	374,400,000	50,000,000	(309,169,258)	156,790,660	771,532,017
Balance as at 1 January 2024	499,510,615	374,400,000	50,000,000	(309,169,258)	156,790,660	771,532,017
Profit for the year	-	-	-	130,430,881	-	130,430,881
Total comprehensive income for the year	-	-	-	130,430,881	-	130,430,881
Balance as at 31 December 2024	499,510,615	374,400,000	50,000,000	(178,738,377)	156,790,660	901,962,898

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

Cash flow statement
For the year ended 31 December 2024

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Profit (loss) before tax	130,598,562	(109,542,818)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	96,312,578	108,761,102
Reduction of inventory cost to net realisable value (Reversal)	(7,900,556)	8,812,772
Loss (gain) on disposal of machinery and equipment	(128,049)	842,992
Unrealised exchange gain	(15,481,608)	(7,690)
Loss on derivatives revaluation	1,458,529	11,144,346
Income from government grants	(279,986)	(367,458)
Finance cost	54,561,989	53,172,002
Provision for long-term employee benefits	3,696,916	2,335,050
Profit from operating activities before changes in operating assets and liabilities	262,838,375	75,150,298
Operating assets (increase) decrease		
Trade and other receivables	(267,536,522)	29,672,167
Inventories	(138,278,278)	93,798,378
Other current assets	19,933,702	(11,632,738)
Other non-current assets	300,000	144,500
Operating liabilities increase (decrease)		
Trade and other payables	161,001,957	(45,333,737)
Other current liabilities	41,175,605	(20,939,598)
Cash paid for long-term employee benefits	(14,782,069)	(3,502,571)
Cash flows from operating activities	64,652,770	117,356,699
Cash paid for interest expenses	(54,062,199)	(52,467,491)
Net cash flows from operating activities	10,590,571	64,889,208

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

Cash flow statement (continued)
For the year ended 31 December 2024

	(Unit: Baht)	
	<u>2024</u>	<u>2023</u>
Cash flows from investing activities		
Acquisition of machinery and equipment	(40,403,651)	(47,719,342)
Acquisition of computer software	(264,600)	(277,200)
Proceeds from sales of machinery and equipment	1,814,411	357,785
Net cash flows used in investing activities	<u>(38,853,840)</u>	<u>(47,638,757)</u>
Cash flows from financing activities		
Decrease in bank overdrafts and short-term loans		
from financial institutions	(48,945,969)	(5,870,859)
Increase (decrease) in accounts payable - trust receipts	174,838,290	(20,534,801)
Payment of lease liabilities	(926,106)	(875,444)
Repayment of long-term loans	(25,788,000)	(33,540,000)
Net cash flows from (used in) financing activities	<u>99,178,215</u>	<u>(60,821,104)</u>
Net increase (decrease) in cash and cash equivalents	70,914,946	(43,570,653)
Cash and cash equivalents at beginning of year	1,291,614	44,862,267
Cash and cash equivalents at end of year	<u><u>72,206,560</u></u>	<u><u>1,291,614</u></u>
	-	-

Supplemental disclosures of cash flow information

Non-cash transactions

Payable of acquisition of equipment	9,668,424	10,517,440
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The accompanying notes are an integral part of the financial statements.

Notes to financial statements**For the year ended 31 December 2024****1. General information**

Varopakorn Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of semi-finished aluminium products and its registered address is 181 Soi Amorn, Nanglinchee Road, Yannawa, Bangkok. Its factory is located at 280 Moo 4, Sukhumvit Road Km.41.5, Tumbol Bangpoo-Mai, Amphur Muang, Samuthprakarn.

2. Basis of preparation

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.

3. New financial reporting standards**3.1 Financial reporting standards that became effective in the current year**

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The management of the Company believes that adoption of these amendments will not have any significant impact on the Company’s financial statements.

4. Accounting policies

4.1 Revenue and expense recognition

Sale of goods

Revenue from sale of goods is recognised 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 returns, discounts and allowances.

Government grants

Government grants is recognised where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to specific expenses is deferred and recognised in profit or loss on a systematic basis over the periods in which the Company recognise as expenses that related costs for which the grants are intended to compensate. Government grants related to assets is recognised as deferred income and then recognised in profit or loss over the useful life of the asset.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average cost basis) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, factory supplies and spare parts are valued at the lower of cost (under the first-in, first-out basis) and net realisable value and are charged to production costs whenever consumed.

4.4 Property, plant and equipment / Depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

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

Factory buildings	-	20	years
Machinery and factory equipment	-	5 - 20	years
Furniture and office equipment	-	3 - 10	years
Motor vehicles	-	10	years

Depreciation is included in determining income.

No depreciation is provided on construction in progress and machinery under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.5 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible assets with finite useful lives are listed below.

License	10	years
Computer software	10	years

4.6 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.

4.7 Leases

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

The Company as a lessee

The Company 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 Company 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.

Machinery and equipment	5	years
Motor vehicles	5	years

If ownership of the leased asset is transferred to the Company 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.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.8 Foreign currencies

The financial statements are presented in Baht, which is also the Company'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.

4.9 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However, in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

4.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses, contributions to the social security fund and other benefits are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined benefit plans and other long-term employee benefits

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. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary base on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in profit and loss.

4.11 Provisions

Provisions are recognised when the Company 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.

4.12 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 Company recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 Company 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 Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.13 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

At initial recognition, the Company'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 Company 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 Company has transferred substantially all the risks and rewards of the asset or the Company 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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company 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.

4.14 Derivatives

The Company uses derivatives, such as forward currency contracts and commodity swap agreements, to hedge its foreign currency risks and commodity price risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Net realisable value of inventories

The management uses judgment to estimate the net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price directly relating to events occurring after the end of reporting date. In addition, the management makes judgment and estimates expected loss from stock obsolescence based upon past sales history, the stock deterioration and the prevailing economic condition.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the

carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

6. Related party transactions

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

(Unit: Million Baht)

	<u>2024</u>	<u>2023</u>	<u>Pricing policy</u>
<u>Transactions with related companies</u>			
Sales of goods	811	834	Cost plus margin
Purchases of raw material and supplies	-	1	At an agreed price

The Company entered into a distribution agreement with related companies for the distribution of products to Japanese customers. Commercial terms are as stipulated in the agreement.

The balances of the accounts as at 31 December 2024 and 2023 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Trade and other receivables - related parties (Note 8)		
Related companies (related by shareholders)	215,872	141,660
Total trade and other receivables - related parties	<u>215,872</u>	<u>141,660</u>
Trade and other payables - related parties (Note 14)		
Related companies (related by shareholders and directors)	6	-
Total trade and other payables - related parties	<u>6</u>	<u>-</u>

Directors and management's benefits

During the years ended 31 December 2024 and 2023, the Company had employee benefit expenses of its directors and management as below.

(Unit: Million Baht)

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	7.9	11.1
Post-employment benefits	0.9	0.6
Total	<u>8.8</u>	<u>11.7</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Cash	94	65
Bank deposits	72,113	1,227
Total	<u>72,207</u>	<u>1,292</u>

As at 31 December 2024, bank deposits in saving accounts carried interests at 0.25 percent per annum (2023: 0.30 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	157,881	96,403
Past due		
Up to 3 months	57,991	45,257
Total trade receivables - related parties	<u>215,872</u>	<u>141,660</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	419,148	221,758
Past due		
Up to 3 months	99,747	102,764
3 - 6 months	-	-
6 - 12 months	1,437	6
Over 12 months	520,332	1,437
Total	<u>(1,437)</u>	<u>325,965</u>
Less: Allowance for expected credit losses	<u>518,895</u>	<u>(1,437)</u>
Total trade receivables - unrelated parties, net	<u>734,767</u>	<u>324,528</u>
Total trade receivables - net	<u>419,148</u>	<u>466,188</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	13	13
Total other receivables	<u>13</u>	<u>13</u>
Total trade and other receivables - net	<u>734,780</u>	<u>466,201</u>

The normal credit term is 30 to 60 days.

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finished goods	148,522	177,711	-	(6,334)	148,522	171,377
Work in process	341,159	299,318	-	(5,262)	341,159	294,056
Raw materials	101,647	67,192	-	-	101,647	67,192
Spare parts and factory supplies	112,600	109,462	(18,354)	(14,658)	94,246	94,804
Goods in transit	177,693	89,660	-	-	177,693	89,660
Total	<u>881,621</u>	<u>743,343</u>	<u>(18,354)</u>	<u>(26,254)</u>	<u>863,267</u>	<u>717,089</u>

During the current year, the Company reversed the write-down of cost of inventories by Baht 7.9 million, and reduced the amount of inventories recognised as expenses during the year to reflect the net realisable value. (2023: reduced cost of inventories by Baht 8.8 million to reflect the net realisable value, this was included in cost of sales).

10. Other current assets

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Input tax refundable	47,057	65,965
Deposit payment for goods	519	6,040
Others	11,017	6,521
Total other current assets	<u>58,593</u>	<u>78,526</u>

11. Property, plant and equipment

(Unit: Thousand Baht)

	Revaluation basis	Cost basis						
	Land	Factory buildings	Machinery and factory equipment	Furniture and office equipment	Motor vehicles	Right-of- use assets	Construction in progress and machinery under installation	Total
Cost / Revalued amount:								
1 January 2023	236,300	168,951	2,666,035	22,536	16,079	5,320	25,269	3,140,490
Additions	-	-	5,964	903	-	-	40,852	47,719
Transfers	-	4,493	26,870	-	-	-	(31,363)	-
Disposal / Write off	-	-	(5,994)	(649)	(6,840)	-	-	(13,483)
31 December 2023	236,300	173,444	2,692,875	22,790	9,239	5,320	34,758	3,174,726
Additions	-	663	3,221	890	-	-	34,781	39,555
Transfers	-	2,178	32,632	-	-	-	(34,810)	-
Disposal / Write off	-	-	(9,191)	(428)	(4,119)	-	-	(13,738)
31 December 2024	236,300	176,285	2,719,537	23,252	5,120	5,320	34,729	3,200,543
Accumulated depreciation:								
1 January 2023	-	137,901	2,070,516	20,390	15,676	82	-	2,244,565
Depreciation for the year	-	4,630	101,840	1,140	135	388	-	108,133
Depreciation for disposal / write off	-	-	(4,794)	(649)	(6,840)	-	-	(12,283)
31 December 2023	-	142,531	2,167,562	20,881	8,971	470	-	2,340,415
Depreciation for the year	-	4,872	89,536	845	135	532	-	95,920
Depreciation for disposal / write off	-	-	(7,505)	(428)	(4,119)	-	-	(12,052)
31 December 2024	-	147,403	2,249,593	21,298	4,987	1,002	-	2,424,283
Net book value:								
As at 31 December 2023	236,300	30,913	525,313	1,909	268	4,850	34,758	834,311
As at 31 December 2024	236,300	28,882	469,944	1,954	133	4,318	34,729	776,260
Depreciation for the year								
2023 (Baht 107 million included in manufacturing cost, and the balance in selling and administrative expenses)								108,133
2024 (Baht 95 million included in manufacturing cost, and the balance in selling and administrative expenses)								95,920

The Company arranged for an independent professional valuer to appraise the value of land by using the market approach in 2022.

Key assumptions used in the valuation are summarised below:

		Result to fair value whereas an increase in assumption value
Price per square wah (Baht)	17,000	Increase in fair value

Had the land been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2024 and 2023 would have been as follows:

	(Unit: Thousand Baht)	
	2024	2023
Land	40,312	40,312

As at 31 December 2024, certain items of building, machinery and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,403 million (2023: Baht 1,046 million).

The Company has mortgaged land with structures thereon and part of its machinery, with a total net book value as at 31 December 2024 amounting to approximately Baht 520 million (2023: Baht 573 million) to secure short-term loans, long-term loans and credit facilities from financial institutions.

12. Intangible assets

The net book value of intangible assets as at 31 December 2024 and 2023 is presented below.

	(Unit: Thousand Baht)		
	License	Computer software	Total
As at 31 December 2024			
Cost	7,735	6,619	14,354
Less: Accumulated amortisation	(7,735)	(5,876)	(13,611)
Net book value	-	743	743
As at 31 December 2023			
Cost	7,735	6,354	14,089
Less: Accumulated amortisation	(7,514)	(5,482)	(13,217)
Net book value	221	872	872

A reconciliation of the net book value of intangible assets for the years 2024 and 2023 is presented below.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Net book value at beginning of year	872	1,223
Acquisition of computer software	264	277
Amortisation	(393)	(628)
Net book value at end of year	<u>743</u>	<u>872</u>

13. Bank overdrafts and short-term loans from financial institutions / accounts payable - trust receipts

		(Unit: Thousand Baht)	
	Interest rate (percent per annum)	<u>2024</u>	<u>2023</u>
<u>Bank overdrafts and short-term loans from financial institutions</u>			
Bank overdrafts	MOR	252	29,198
Promissory note	3.9 – 6.0	<u>170,000</u>	<u>190,000</u>
Total		<u>170,252</u>	<u>219,198</u>
<u>Accounts payable - trust receipts</u>			
Accounts payable - trust receipts	LIBOR/SIBOR plus a fixed rate	<u>873,780</u>	<u>701,751</u>

Credit facilities obtained from financial institutions are secured by the mortgage of the Company's land with structures thereon and part of its machinery, as discussed in Note 11 to the financial statements.

14. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Trade payables - related parties	6	-
Other payables - unrelated parties	310,632	170,197
Other payables - unrelated parties	16,373	8,637
Other payables for purchase of machinery	9,668	10,517
Accrued expenses	<u>51,518</u>	<u>38,679</u>
Total trade and other payables	<u>388,197</u>	<u>228,030</u>

15. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	2024	2023
1	MLR - 2.25%	Monthly installments of Baht 0.7 million commencing from February 2019 within 72 months	-	588
2	3M THBFIX + 1.85%	Monthly installments of Baht 2.1 million commencing from July 2020 within 84 months	61,600	86,800
Total			61,600	87,388
Less: Current portion			(25,200)	(25,788)
Long-term loans, net of current portion			36,400	61,600

Movements in the long-term loans account during the years ended 31 December 2024 and 2023 are summarised below:

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
Beginning balance	87,388	120,928
Repayments	(25,788)	(33,540)
Ending balance	61,600	87,388

The loans are secured by the mortgage of the Company's land with structures thereon and part of its machinery as discussed in Note 11 to the financial statements.

The loan agreements contain certain covenants as specified in the agreements that, among other things, require the Company to maintain debt to equity ratio, debt service coverage ratio, and interest coverage ratio according to the specified ratio prescribed in the agreements.

As at 31 December 2024 and 2023, the Company could not maintain certain financial ratios as required in such loan agreements. However, the Company has already received the waive letter for the covenants from the bank, hence; there is no reclassification of the outstanding balance of such long-term loans as at 31 December 2024 and 2023.

16. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employee after they retire from the Company and other long-term employee benefit plan, was as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Provision for long-term employee benefits at beginning of year	26,981	30,127
Included in profit or loss:		
Current service cost	3,322	2,262
Interest cost	375	73
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	131
Financial assumptions changes	-	(1,371)
Experience adjustments	-	(739)
Benefits paid during the year	(14,782)	(3,502)
Provision for long-term employee benefits at end of year	<u>15,896</u>	<u>26,981</u>

The Company expects to pay Baht 1 million of long-term employee benefits during the next year (2023: Baht 3 million).

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 6 years (2023: 6 years).

Significant actuarial assumptions are summarized below:

	<u>2024</u>	<u>2023</u>
	(% per annum)	(% per annum)
Discount rate	2.53	2.53
Salary increase rate	3.00	3.00
Turnover rate	0.00 – 51.00	0.00 – 51.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: Million Baht)			
	<u>2024</u>		<u>2023</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1)	1	(1)	1
Salary increase rate	1	(1)	1	(1)
Turnover rate	(1)	1	(1)	1

17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

18. Surplus on revaluation of assets

This represents surplus arising from revaluation of land.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Balance at end of year	<u>156,791</u>	<u>156,791</u>

The surplus on revaluation of assets can neither be offset against deficit nor used for dividend payment.

19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Salary and wages and other employee benefits	164,852	142,420
Depreciation and amortisation	96,312	108,133
Repairs and maintenance expenses	33,948	628
Electricity and fuel	206,585	49,681
Raw materials and consumables used	2,277,418	272,516
Changes in inventories of finished goods and work in process	(12,653)	1,875,015

20. Income tax

Income tax for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	168	(1,033)
Income tax benefit reported in profit or loss	<u>168</u>	<u>(1,033)</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)	
	<u>2024</u>	<u>2023</u>
Total	-	396

The reconciliation between accounting profit (loss) and income tax expenses (benefit) is shown below.

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Accounting loss before tax	130,599	(109,543)
Applicable tax rate	20%	20%
Accounting loss before tax multiplied by income tax rate	26,120	(21,910)
Tax losses unrecognised during the year	-	19,958
Previously deductible temporary differences and unrecognised tax losses that is used to reduce current tax expense	(26,490)	
Effects of:		
Non-deductible expenses	517	915
Additional expense deductions allowed	(223)	(98)
Others	244	102
Total	538	919
Income tax benefit reported in profit or loss	168	(1,033)

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Deferred tax assets		
Allowance for expected credit losses	287	287
Allowance for diminution in value of inventories	3,671	2,932
Deferred Income from government	253	309
Provision for long-term employee benefits	3,179	5,396
Total	7,390	8,924

Deferred tax liabilities

Accumulated depreciation - machinery	3,324	4,676
Lease liabilities	43	57
Surplus from revaluation of land	39,197	39,197
Total	42,564	43,930
Deferred tax liabilities - net	(35,174)	(35,006)

As at 31 December 2024 the Company has unused tax losses totaling Baht 286 million (2023: Baht 397 million), on which deferred tax assets have not been recognised as the Company believes that future taxable profits may not be sufficient to allow utilisation of unused tax losses. The unused tax losses will expire within 2028.

21. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of aluminium sheet product and aluminium rolled product, pursuant to the investment promotion certificate No. 61-0139-1-00-1-0 issued on 3 January 2018. Subject to certain imposed conditions, the privileges include an exemption of import duty on imported machinery and raw materials and an exemption of corporate income tax from such promoted operations, totaling not over 100 percent of the investment amount, excluding the cost of land and working capital, for a period of 3 years from the date the promoted operations commenced generating revenues (not yet commenced operation).

22. Basic earnings per share

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

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

	<u>2024</u>	<u>2023</u>
Loss for the year (Thousand Baht)	130,431	(108,510)
Weighted average number of ordinary shares (shares)	99,902,123	99,902,123
Loss per share (Baht per share)	1.31	(1.09)

23. Segment information

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

The Company is principally engaged in the manufacture and distribution of semi-finished aluminium products. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure

operating profit or loss in the financial statements. As a result, all of the revenues, operating loss and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	<u>2024</u>	<u>2023</u>
Revenue from external customers		
Thailand	1,160	1,125
Asia	1,602	1,143
Oceania	35	46
America	60	118
Europe	126	78
Total	<u>2,983</u>	<u>2,510</u>

Major customers

For the year 2024, the Company has revenue derived from 2 major customers in amount of Baht 577 million and Baht 535 million (2023: revenue derived from 2 major customers in amount of Baht 833 million and Baht 354 million).

24. Commitments and contingent liabilities

24.1 Capital and purchase of raw material commitments

As at 31 December 2024, the Company had capital commitments relating to the purchases of machinery, equipment and computer software and purchase of raw material commitments of approximately USD 10 million, Yuan 25 million and Baht 8 million. (2023: USD 11 million, Yuan 2 million and Baht 27 million).

24.2 Guarantees

As at 31 December 2024, there were outstanding bank guarantees issued by the banks on behalf of the Company of approximately Baht 14.7 million (2023: Baht 14.7 million) to guarantee electricity use.

As at 31 December 2024, the Company has pledged bank deposits amounting to Baht 0.4 million (2023: Baht 0.4 million) as collateral to secure bank guarantees.

25. Fair value hierarchy

As at 31 December 2024 and 2023, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

		2024			
		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Land		-	-	236,300	236,300
Liabilities measured at fair value					
Derivatives					
Foreign currency forward contracts		-	1,459	-	1,459

(Unit: Thousand Baht)

		2023			
		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Land		-	-	236,300	236,300
Liabilities measured at fair value					
Derivatives					
Commodity swap agreements		-	866	-	866
Foreign currency forward contracts		-	10,278	-	10,278

26. Financial instruments
26.1 Derivatives

(Unit: Thousand Baht)

	2024	2023
Derivative assets (liabilities)		
Derivatives assets (liabilities) not designated as hedging instruments		
Commodity swap agreements	-	(866)
Foreign exchange forward contracts	(1,459)	(10,278)
Total derivative liabilities	(1,459)	(11,144)

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts and commodity swap agreement to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions and risk from volatility in prices of raw materials, respectively, generally from 1 to 12 months.

26.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade receivables, bank overdrafts and short-term loans from financial institutions, accounts payable - trust receipts, trade and other payables, derivatives and long-term loans from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivable and deposits with financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company 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 sales to some overseas customers are required to pay a partial advance payment. Additionally, the Company assesses the credit ratings of all new overseas customers through financial institution.

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 calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved major counterparties to mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three types of market risk comprising foreign currency risk, interest rate risk and commodity price risk. The Company's risk management policy is disclosed in the foreign currency risk, interest rate risk and commodity price risk topic, respectively.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2024 and 2023, The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<i>US dollar</i>	14	8	25	15	33.9879	34.2233

To manage the foreign currency risk exposure, the Company entered into foreign exchange forward contracts as summarised below.

As at 31 December	Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
		(Million)	(Baht per 1 foreign currency unit)	
<i>2023</i>	<i>US dollar</i>	20	32.1242 - 36.1532	January 2025 - June 2025
<i>2022</i>	<i>US dollar</i>	7	34.0800 - 36.2856	April 2024 - June 2024

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's loss before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Company's loss before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2024 and 2023. The Company's exposure to foreign currency changes for other currencies is not material.

Currency	2024		2023	
	Increase/Decrease	Loss before tax (increase) decrease	Increase/Decrease	Loss before tax (increase) decrease
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+1	2,837	+1	84
	-1	(2,837)	-1	(84)

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its bank overdrafts and short-term loans from financial institutions, accounts payable - trust receipts, and long-term loans from financial institutions. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The details of bank overdrafts and short-term loans from financial institutions / accounts payable - trust receipts and long-term loans from financial institutions as at 31 December 2024 and 2023 are set out in Note 13 and 15 to the financial statements, respectively.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's loss before tax to a reasonably possible change in interest rates on that portion of floating rate bank overdrafts, accounts payable - trust receipts and long-term loans from financial institutions affected as at 31 December 2024 and 2023.

Currency	2024		2023	
	Increase/Decrease	Profit before tax	Increase/Decrease	Loss before tax
		increase (decrease)		(increase) decrease
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+1	(2,285)	+1	(3,964)
	-1	2,285	-1	3,964
US Dollar	+1	(5,925)	+1	(3,920)
	-1	5,925	-1	3,920

The above analysis has been prepared assuming that the amounts of bank overdrafts, accounts payable - trust receipts and long-term loans from financial institutions including all other variables remain constant over one year. Moreover, the floating legs of bank overdrafts, accounts payable - trust receipts and long-term loans from financial institutions are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Commodity price risk

The Company is exposed to risk of volatility in raw material prices and selling prices because the Company's major raw material is aluminum ingot, which is a commodity, and the selling prices are determined based on such raw material prices. In managing the risk, the Company has entered into short-term commodity swap agreements with commercial banks.

The Company's outstanding commodity swap agreements are as follows:

	Commodity swap agreements	Quantity	Maturity
		(Tons)	
31 December 2023	Floating price to fixed price swap	600	January 2024 - February 2024

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts, loans from financial institutions and accounts payable - trust receipts. The Company has policy to use bank overdrafts and short-term loans from financial institutions to maintain the Company's working capital within the facilities approved by the financial institutions and reviewed by the Company's management. In addition, the period of maturity of accounts payable - trust receipts is consistent with the period of receiving payments from trade receivables. The Company has assessed the concentration of risk with respect to refinancing its debt and determined it to be low. The management believes that if necessary, an existing lender will agree that debts maturing within 12 months can be rolled over.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)				
2024				
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdraft	252	-	-	252
Short-term loans from financial institutions	-	170,323	-	170,323
Account payable - trust receipts	-	887,344	-	887,344
Trade and other payables	-	388,197	-	388,197
Long-term loans	-	27,750	39,013	66,763
Total non-derivatives	252	1,473,614	39,013	1,512,879
Derivatives				
Derivative liabilities: net settled	-	1,459	-	1,459
Total derivatives	-	1,459	-	1,459
(Unit: Thousand Baht)				
2023				
	On demand	Less than 1 year	1 to 5 years	Total
Non-derivatives				
Bank overdraft	29,198	-	-	29,198
Short-term loans from financial institutions	-	190,584	-	190,584
Account payable - trust receipts	-	708,784	-	708,784
Trade and other payables	-	228,030	-	228,030
Long-term loans	-	29,362	67,050	96,412
Total non-derivatives	29,198	1,156,760	67,050	1,253,008
Derivatives				
Derivative liabilities: net settled	-	11,144	-	11,144
Total derivatives	-	11,144	-	11,144

26.3 Fair values of financial instruments

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

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate and commodity yield curves.

During the current year, there were no transfers within the fair value hierarchy.

27. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and meets financial covenants attached to the loan agreements.

As at 31 December 2024, the Company's debt-to-equity ratio was 1.78:1 (2023: 1.72:1).

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2025.

Attachment 1

**Details of Directors, Executives, Persons with Controlling Authority,
Person who assigned which highest responsibility in accounting and finance,
Persons assigned to be directly responsible for supervising accounting, company secretary**

Note. All Directors, Executives, and Persons with Controlling Authority have not had information on the history of the directors, executives, and controllers in the past 5 years due to offenses under the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546 in the following matters

- (1) Act of dishonesty or gross negligence
- (2) Disclosure or dissemination of information or false statements that may cause misunderstandings or concealing factual statements that should be disclosed in material matters which may affect the decision of shareholders, investors or related persons
- (3) Unfair acts or taking advantage of investors in securities or derivatives trading or has or has been involved in or supported such action

1. Details of Directors, Executives, Persons with Controlling Authority, Persons who assigned which highest responsibility in accounting and finance, Persons assigned to be directly responsible for supervising accounting, company secretary.

Name-surname / position			Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years	
							Period	Position in Varopakorn Plc.
1*	Mrs. Sorranee Deephanphongs	Chairman of the Board	71	-Diploma Bonmouth College of technology, England -Corporate Secretary Development Course, Class 15 training, Thai Listed Companies Association - Director Accreditation Program (DAP) Class 81/2009 training, Thai Institute of Directors Association (IOD)	** 4.59	Wife of the Former Chief Executive Officer	2000-2008 2008-2020 2020-Present	Board Secretary Director / Company Secretary Chairman / Authorized Director
2	Mr. Chaiyong Deephanphongs	-Director -Former Chief Executive Officer - Advisor ¹	77	-Master's degree in Electrical Engineering, I.I.T. Chicago, USA -Director Accreditation Program (DAP) Model 184/2021, Thai Institute of Directors Association (IOD)	** 4.59	Chairman's husband	1996-1997 1997-2002 2002-2015 2015-2020 2020-2023	Factory Manager / Production Manager Factory Manager Director of Operations Vice Chief Executive Officer Chief Executive Officer
3*	Mr. Sahasee Chitanondh	-Director -Former Managing Director ² -Advisor ¹ -Person assigned to the highest responsibility in accounting and finance	61	-Master's degree MBA Eastern, Michigan University -Bachelor's degree in Economics and Business Administration, Kasetsart University - Director Certification Program (DCP) Year 2003 training, Thai Institute of Directors Association (IOD)	1.09	Cousin of the Chairman	1996-Present 1998-2000 2001-2/2025 2008-2023 2008-Present 2023- Present	Director Executive Vice President Executive and Finance Director Managing Director Authorized Director Advisor
4*	Mr. Thanawat Sornjai	-Director / Managing Director ³	59	- MBA, International Business Management (AIT) - Bachelor of Engineering, Metallurgy, Chulalongkorn University - Corporate Management Development Program (CMDP) Montréal Canada. - Director Accreditation Program - DAP 214/2024 (Thai Institute of Directors Association: Thai IOD)	-	-	2023- Present	Director / Managing Director /Authorized Director
5	Mr. Thanomsak Chotikaprakai	Independent Director / Chairman of the Audit Committee	62	-MBA, Eastern Michigan University, Ypsilanti, Michigan, U.S.A. - B.Eng. (Electrical Engineering), Chulalongkorn University -Director Certification Program (DCP 90), Thai Institute of Directors Association (IOD)	-	-	2021-Present	Independent Director / Chairman of the Audit Committee

Name-surname / position			Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years	
							Period	Position in Varopakorn Plc.
6	Thongkun Sangthammarat	Independent Director / Member of the Audit Committee	46	-Bachelor Degree in Business Administration (Major Accounting), Honored, Srinakharinwirot University -Master Degree in Master of Science (Major Accounting), Thammasat University	-	-	2022-Present	Independent Director / Member of the Audit Committee
7	Admiral Thomrat Hatayodom	Independent Director / Member of the Audit Committee	77	-Suffolk University, Boston, MA Master's degree in Public Administration -Director Accreditation Program (DAP) 184/2021, Thai Institute of Directors Association (IOD)	-	-	2021-Present	Independent Director / Member of the Audit Committee
8	Mr. Pitiphong Bisalputra	Independent Director	60	-Master of Business Administration, University of Hartford, USA -Successful Formulation & Execution of Strategy (SFE 3/2009) -Director Certification Program (DCP 5/2003), Thai Institute of Directors Association (IOD) -Advanced Security Management 2011 -Diploma, National Defence College, The National Defence Course Class (NDC.57), The Association of National Defence College of Thailand Under The Royal Patronage of His Majesty The King -Senior Management Development, Royal Thai Police 2020	0.01	-	2019-Present	Independent Director
9	Mr. Chirawut Chaiyawat	Director	67	-Master of Engineering Management (Mechanical Engineering) Rensselaer Polytechnic Institute (RPI), NY, USA. -Director Accreditation Program (DAP) 133/2017, Thai Institute of Directors Association (IOD)	0.89	Cousin of the Chairman	2015-Present	Director
10	Flg.Off.Kamolnai Chaixanien	Director	67	-Master of MBA, Cornell University -Bachelor's degree in chemical engineering University of New Hampshire -Director Certification Program (DCP, Thai Institute of Directors Association (IOD)	0.54	Cousin of the Chairman	1996-Present	Director
11	Mr Yoshinao Toyoda	Director	60	-Keio University, Faculty of Business & Commerce	-	-	2020-Present	Director

Name-surname / position			Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years	
							Period	Position in Varopakorn Plc.
12	Miss Gunyapart Deephanphongs	- Assistant Managing Director Business and Finance Group / - Vice President Marketing and Supporting Division -Chief Financial Officer ¹	43	-Bachelor of Engineering (Electrical) Chulalongkorn University -Master of Science in Industrial Engineering, University of Pittsburgh	0.27	Daughter of Chairman	2015-2017 2018-2020 2020 2020-Present 2023-Present 2/2025-Present	Senior Engineer Assistant Vice President Engineering Affairs, Assistant Vice President Marketing&Supporting Vice President of Marketing&Supporting Assistant Managing Director Business and Finance Group Chief Financial Officer
13	Mr.Toshinobu Yoshigai	-Assistant Managing Director Production /Senior Executive Advisor	64	Bachelor of Industrial Engineering, University of Hyogo (Himeji Institute of Technology)	-	-	2023-Present	-Assistant Managing Director Production and Technology / Senior Executive Advisor
14	Mr. Pramot Hansakul	-Vice President Legal Affairs, Legal Division -Company secretary	67	-Bachelor's degree in Law, Ramkhamhaeng University		-	1994-2002 2002-2007 2007-Present 2020-Present	Legal Officer Deputy Vice President Legal Affairs Vice President Legal Affairs Company secretary
15	Mr. Thatawat Charoensri	Factory Manager, Factory Division	61	-Bachelor of Science in Industrial Education -Mechanical Engineering, King Mongkut's Institute of Technology Thonburi -M.B.A. B.Sc.in Ind Ed. (Mechanical Engineering), King Mongkut's Institute of Technology Thonburi	-	-	2001-2005 2020-Present	Production Manager Factory Manager
16	Mr. Prajoub Lerdtai	Assistant Factory Manager Engineering and production, factory line	58	-Bachelor of Engineering mechanical branch, King Mongkut's University of Technology North Bangkok	0.11	-	2001-2003 2003-2016 2016-2020 2020-Present	Assistant Manager, Production Technical Engineering Manager Engineering Advisor Assistant Factory Manager, Engineering and production
17	Mr. Rewat Kaoluang	Assistant Factory Manager, Quality Assurance, Production & Production Technology, Factory Line	52	-Bachelor of Engineering Materials handling Technology, -Master of Engineering, King Mongkut's University of Technology Thonburi	-	-	2022-Present	Assistant Factory Manager Quality assurance and production / production technology, factory lines

Name-surname / position			Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years	
							Period	Position in Varopakorn Plc.
18	Mr. Kasem Kusolsirikrun	Assistant Factory Manager for planning, quality and production technology, factory line	49	-Bachelor of Industrial Science Electronics and Computer Branch, King Mongkut's Institute of Technology Ladkrabang	-	-	2004 2005 2007-2009 2009-2017 2016-Present 2018 2019-2022 2023-Present	Head of Planning Production / Production Technology Engineer Acting Production Planning Manager Production Planning Manager Assistant Factory Manager Assistant Director of Planning and QA Assistant Director of Cost Management Assistant Factory Manager for Planning & Production
19	Mr. Ekkasit Kongsakul	Assistant Vice President of Corporate Strategy Planning	58	-Bachelor of Engineering Mechanical branch King Mongkut's University of Technology Thonburi	0.008	-	3/2024-Present	Assistant Vice President of Corporate Strategy Planning
20	Miss Prapa Phisuttitada	Purchasing Manager, Marketing and Support Division	53	-Master of Engineering industrial branch, King Mongkut's University of Technology Thonburi -Bachelor of Engineering food engineering (Mechanical Department)	0.17	-	2009-Present	Purchasing Manager
21	Mr. Nawapol Singnil	Engineering Manager, Factory Division	48	Bachelor of Electrical Power Engineering, Sripatum University	-	-	2018-2021 2021-Present	Acting Maintenance Manager Engineering Manager
22	Mr. Arnat Jumpanant	Production Manager 2, Factory Division	45	Bachelor of Industrial Engineering, Sripatum University	0.002	-	2009-2011 2011-2012 2012-2017 2018-2020 2020-Present	Production Engineer and Production Technology Supervisor 2 Assistant Production Manager 1 Production Manager 1 Production Manager 2
23	Ms. Rassamee Nonsiri	Strategic, Sourcing & Logistic Manager, Marketing and Support Division	41	-Bachelor of Humanities, English, Ramkhamhaeng University -Master of Science in Supply Chain Management, Assumption University	-	-	2016-2017 2017 2018-Present	Sales Coordinator Assistant Manager of Strategic Sourcing and Logistics Affairs Strategic Sourcing & Logistics Manager
24	Mr. Chukiat Khumkaew	Technical and production support Manager, Factory Division	65	Vocational Technology Campus, Rajamangala University of Technology	-	-	2021-2023 2021-Present	Technical and production support Manager Production Manager

Name-surname / position			Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years	
							Period	Position in Varopakorn Plc.
25	Ms. Laphatrada Saikham	Human Resources Manager,	48	Bachelor's degree in Human Resource Management, Ramkhamhaeng University	-	-	2019-2020 2020-Present	Personnel Manager HR Manager
26	Mrs. Nittaya Phinyo ²	Accounting Manager	44	-Bachelor of Accounting, University of the Thai Chamber of Commerce -Master of Accounting, Ramkhamhaeng University	-	-	2018-2022 2022-Present	Assistant Accounting Manager Accounting Manager
27	Mr. Surachai Topipatchai ⁴	Sales and Marketing Manager	47	-Bachelor of Management, Kasetsart University -Master of Marketing, Srinakharinwirot University	-	-	2023-Present	Sales & Marketing Manager
28	Mr.Chutipol Plubnil ³	Finance Manager	50	-Bachelor of Economics, Bangkok University -Master of Political Science and Public Administration, Chiang Mai University	-	-	1/2025-Present	Finance Manager
29	Mr. Likhit Uthiya	Production Manager 1, Factory Line	60	-Vocational Certificate in Industrial Technology Chiang Rai Technical College	-	-	1990-2019 2020 2021 2023-Present	Department Head, Sup Assis.Manager, Production Department 1 Assis.Production Manager 1 Production Manager 1
30	Mr. Atthapol Kaewsuk	Production Manager 4, Factory Line	42	-Bachelor of Engineering Industrial branch King Mongkut's University of Technology Thonburi	-	-	2023 2023 2024-Present	Production Engineer Production Manager 3 Production Manager 4
31	Ms. Champorn Irakom	Quality Assurance Manager, Factory Line	34	-Bachelor of Engineering Materials Engineering major, Prince of Songkla University	-	-	2557-2563 2020-2023 2023-Present	Quality Assurance Engineer Assistant Manager, Quality Assurance Department Quality Assurance Manager
32	Ms. Matree Nuankratok	Research and Development Manager, Factory Line	32	-Bachelor of Engineering Department of Chemical and Process Engineering, Walailak University	0.001	-	2016 2021-2023 2023 2023-Present	Quality Assurance Engineer Assistant Production Manager 4 Production Manager 4 Research and Development Manager
33	Ms. Kamonwan Panrong	Production Planning Manager, Factory Line	30	-Bachelor of Engineering Department of Management and Logistics Engineering, Silpakorn University	-	-	2018-2021 2021-2023 2023-Present	Planning Engineer Assis. Manager, Production Planning Department Production Planning Manager

Name-surname / position			Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years	
							Period	Position in Varopakorn Plc.
34	Miss Wassana Suksayan	-Vice President Accounting Affairs, Accounting Division -Persons assigned to be directly responsible for the supervision accounting	55	-Master's degree in business administration -Bachelor's degree in accounting, Ramkhamhaeng University	-	-	2011-2017 2018-2024 (Retired)	Accounting Manager Vice President Accounting
35	Mr. Teeravit Lertnaruemitkul	IT Manager	49	- Bachelor of Business Administration in Operations Management, Kasetsart University - Bachelor of Business Information Technology, Sukhothai Thammathirat Open University			2008 2008-2024 2024-Present	Programmer System development analysis officer Information Technology Manager

* Directors who have the authority to bind the company as specified in the current affidavit

** including the spouse's shares

No. 1-11 Director of the Company

No. 1-4, 12-16 the first 4 executives

No. 2, 3, 4, 12, 13, 15-34 Factory Executive Officer

¹ Miss Gunyapart Deephanphongs has been appointed to the position of Chief Financial Officer effective from 25 February 2025 successor of Mr. Sahasee Chitanondh and completed e-learning CFO's Orientation for New IPOs course (Thai) 2024 from the Stock Exchange of Thailand on 15 January 2025.

² Mrs. Nittaya Phinyo has been appointed as the person assigned with direct responsibility for overseeing accounting operations (Accountant) from 1 January 2025 replace of Miss Wassana Suksayan previously direct responsibility for overseeing accounting operations and retired on 31 December 2024. Mrs. Nittaya possesses the qualifications and conditions for being an accountant as defined by the criteria set out in the announcement by the Department of Business Development, along with continuous professional development training in accounting.

Mr. Chaiyong Deephanphongs, resigned from the position of Chief Executive Officer and has been appointed as a consultant effective from 10 November 2023 onwards and will continue to serve as a director of the company.

² Mr. Sahasee Chitanondh, resigned from the position of Managing Director and has been appointed as a consultant effective from 15 November 2023 onwards and will continue to hold the position of director with the directors authorized to sign to bind the company as specified in the company's certificate.

³ Mr.Chutipol Plubnil assumed the position on 1 February 2025 replacing Mr. Trinnaphat Puengsawat, the previous finance manager, who resigned on 31 January 2025.

1.2 Duties and Responsibilities of Company Secretary

Company Secretary have duties to comply with the provisions of Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which came into force on August 31, 2008, with responsibility caution and honesty as well as complying with the law, objectives, company regulations Board resolution as well as the resolutions of the shareholders' meeting.

The Board of Directors has appointed Mr. Pramot Hansakul, who holds the position of Director of Legal Affairs to perform duties as the Company's secretary another duty From February 28, 2020, to the present and has passed the training program for professional development of company secretary 2021-2022 of the Association of Thai Listed Companies under the support of the Thai Capital Market Development Fund, the legal duties of the Company Secretary are as follows:

1. Prepare and maintain the following documents:
 - 1.1 Register of Directors.
 - 1.2 Notice of the meeting Minutes of the Board of Directors Meeting and the Company's Annual Report.
 - 1.3 Notice of the meeting and the minutes of the shareholders' meeting.
2. Keeping stakeholder reports reported by directors or executives and send a copy of the report, having interests under section 89/14, the chairman of the committee and the chairman of the audit committee within 7 working days from the date the company receives the report.
3. Perform other actions as announced by the Capital Market Supervisory Board.

In addition, the company secretary There are other duties as the Company and/or the Board of Directors assigned as follows:

- Advise on legal and related regulations and regulatory practices in carrying out the activities of the Board in accordance with the law.
- Responsible for arranging meetings of the Board of Directors and shareholder meeting.
- Liaise with departments within the company to comply with the resolutions of the Board of Directors and the resolutions of the shareholders' meeting.
- Liaise with regulatory agencies such as the Stock Exchange of Thailand and supervise the disclosure of information and information reporting to regulatory agencies and the public to be correct and complete according to the law.
- Provide orientation Giving advice to newly appointed directors.
- Other duties as assigned by the company.

1.3 The Company does not operate its main business by holding shares in other companies (holding companies).

Attachment 2

Details of the directors of the subsidiary

-Non subsidiaries-

Details about the head of the internal audit and the head of the company's compliance
Attachment : Details of the Head of Internal Audit, *It is the use of services outside the company (outsource).*

Name	Ms. Ruetaichanoke Supapong (Dharmniti Internal Audit Co.,Ltd.) Age 41 years		
Educational qualifications	Bachelor of Humanities and Social Sciences, Marketing, Burapha University		
Certificate	Certified Professional Internal Audit of Thailand (CPIAT)		
Training	Pre-CIA Program CIA Part II Training Program COSO 2013 curriculum, theory and practice Course of internal control guidelines for companies preparing to be listed on the stock exchange International Standards for the Professional Practice of Internal Auditing IT Audit Course Corruption Investigation Course Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Project for maintaining and improving the quality of the organization's internal audit work Asian Confederation of Institutes of Internal Auditors conference 2018 Internal Audit Comprehensive : IAC - Quality Assurance Reviews (QAR) - Cyber Risk Management - Fraud Risk Management - Best Practice Guidelines for Audit Committee to prevent and deter inappropriate behavior of listed companies - CAE Forum 2024		
Shareholding	-None-		
Relationship characteristics	-None-		
Duration	Company	Position	Responsibility
May 2024 -present	Dharmniti Internal Audit Company Limited	Vice President	<ul style="list-style-type: none"> Co-establish policies, goals, strategies, along with planning, monitoring and quality control of internal audit operations to comply with the defined policy Agree on the audit action plan before presenting it to the Audit Committee for approval and signing the audit report
June 2016 -April 2024	Dharmniti Auditing Co., Ltd.	Executive Director Manager	
2011-2016	Dharmniti Auditing Co., Ltd.	Assistant Manager	<ul style="list-style-type: none"> Plan and control the performance of the internal audit to comply with the specified plans Plan and control the performance of the internal audit to comply with the specified plans
2009-2010	Dharmniti Auditing Co., Ltd.	Senior Internal Auditor	<ul style="list-style-type: none"> Prepare an internal audit plan for submission to management and board of director Control internal auditors and conduct audits to comply with the specified plans
2007-2008	Dharmniti Auditing Co., Ltd.	Internal Auditor	<ul style="list-style-type: none"> Perform internal audit tasks as assigned

Assets used in business operations and details of property appraisals
- Main fixed assets used in the Company's business
(Unit : Million baht)

Property Type/Characteristics	Proprietary nature	Net book value As of 31 December 2024	Obligation (Mortgage limit)
Land	Company owned	236.30*	1,305
Building	Company owned	28.88	
Machine-Equipment	Company owned	469.94**	726.08

Note * The company has provided land appraisal by an independent appraiser in 2022 using the market price comparison method (Market Approach) from the original 40.31 by the cost method.

** Excluding work in progress of 34.73 million baht

Important intangible assets in business
(Unit : Million baht)

Royalties	Computer software	Total
-	0.74	0.74

Details about the property appraisal list
-Non-

Policies and guidelines for corporate governance, full version and Code of conduct, full version that the company has prepared in the following matters

The Company has already disclosed in the Form 56-1 One Report, Part 2 Corporate Governance, Article 6 Corporate Governance Policy.

Section 1 Code of conduct.

1. Code of Conduct for the Treatment of Stakeholders
 - 1.1 Treatment of Shareholders
 - 1.2 Treatment of customers
 - 1.3 Treatment of competitors
 - 1.4 Treatment of creditors and/or partners
 - 1.5 Treatment of employees
 - 1.6 Treatment of government or regulatory agencies
 - 1.7 Treatment of communities, society and the environment
2. Code of Conduct for Respecting Human Rights
3. Code of Conduct for Respecting and Complying with Laws, Regulations, and Related Regulations and respect for different cultures
4. Code of Conduct for Receiving or Giving Gifts or property or any other benefits
5. Code of Conduct for Insider Information and Confidentiality
6. Code of Conduct on Intellectual Property use of information technology and communication
7. Code of Conduct on Political Rights and Neutrality
8. Code of Conduct for Conflicts of Interest
9. Code of Conduct for Related Transactions
10. Code of Conduct for Control Systems internal audit and financial reporting
11. Code of Conduct for the Preservation and Use of Company Assets
12. Code of Conduct for Workplace Safety and Hygiene
13. Anti-Corruption Code of Conduct Whistleblowing and Complaints
14. Personal Data Protection Code of Conduct (Privacy Policy)

Section 2 Code of Conduct for the Board of Directors, Executives and Employees

1. Conduct
2. Treatment of colleagues
3. Treatment of the Company

Section 3 Code of Conduct for Employees

1. Code of Conduct towards the Company
2. Code of Conduct towards oneself
3. Code of Conduct towards supervisors
4. Code of Conduct towards subordinates
5. Code of Conduct towards colleagues

Practice tracking

Examination or informing

Corporate Governance Code (CG Code)



The Company has disseminated such information in detail to the public through the Company's website. Detailed content can be viewed at link <https://www.varopakorn.com>

Code of conduct

Link: <https://www.varopakorn.com/th/company-structure/investor-relations/corporate-governance-code/>

Corporate Governance Code

Link: <https://www.varopakorn.com/th/company-structure/investor-relations/corporate-governance-code/corporate-governance-code-2>

Audit Committee Report

The Audit Committee of Varopakorn Public Company Limited consists of 3 independent directors: 1) Mr. Thanomsak Chotikaprakai is the Chairman of the Audit Committee 2) Admiral Thomrat Hatayodom and 3) Mr. Thongkoon Sangthammarat are members of the audit committee.

In 2024, a total of 4 meetings were held, with participation from executives, internal auditor and the auditor. The audit committees attended all meetings. Additionally, meetings were held without the participation of the management.

The audit committee performs its duties independently according to the scope of responsibilities specified in the Audit Committee Charter and as assigned by the Board of Directors which is in line with the announcement of the Stock Exchange of Thailand and good practices of the Securities and Exchange Commission. The audit committee report the performance of duties to the company's Board of Directors Perform duties every quarter. The main points can be summarized as follows.

1) Financial report: The Audit Committee reviewed the quarterly financial statements and the company's annual financial statements together with the company's auditors and executives regarding the accuracy and completeness and disclosure of information in the financial statements, improving accounting entries and important issues, and the suitability of accounting policies and methods including acknowledging the auditor's observations and suggestions. The Audit Committee is of the opinion that the company's accounting and financial reporting process is adequately controlled to ensure that the financial statements accurately present the financial position and performance of the company in accordance with accounting standards and provide sufficient disclosure of information in the financial statements.

2) Risk management: Reviewed the efficiency and effectiveness of plans and guidelines for managing risks that affect operating results collaborate with the management team regularly to assess the efficiency and adequacy of the company's risk management, including the operations of the management team that are consistent with the policies and approval authority set forth.

3) Internal control and internal audit: Reviewed the internal controls by considered from the report of the internal auditor and the auditor to comply with the company's operating regulations as well as correct and improve the internal control system to be appropriate, sufficient, and effective. In addition, the Audit Committee consulted with the internal auditors on planning and approving the annual audit plan.

4) Supervision process: Reviewed the company's operations to ensure compliance with laws regarding securities and the stock exchange, and other laws related to the company's business. Upon review, the Audit Committee did not find any indications suggesting that the company intended to neglect compliance or engaged in any actions that would contradict the legal requirements.

5) Related transactions: Reviewed of the opinion that related transactions or transactions that may have conflicts of interest by adhering to the principles of caution, fairness, reasonableness, transparency and taking into account the interests of the Company's stakeholders including adequate disclosure of information.

Auditor: The Audit Committee has considered and selected the proposed auditor for the year 2025, including determining the audit fees, based on the qualifications, capabilities, experience, independence, and the quality of previous work. This proposal was then submitted to the Board of Directors for presentation at the shareholders' meeting.

6. Consider the appointment of the auditor and approve the audit fee

In summarizing the overall in 2024, the Audit Committee has performed its duties and responsibilities as assigned, using knowledge, ability, caution, carefulness and sufficient independence as well as giving opinions and suggestions for the benefit of all stakeholders equally.

(Mr. Thanomsak Chotikaprakai)
Chairman of the Audit Committee



บริษัท วโรปกรณ์ จำกัด (มหาชน)
VAROPAKORN PUBLIC COMPANY LIMITED

181 ซอยอมร ถนนนางลิ้นจี่ แขวงช่องนนทรี เขตยานนาวา กรุงเทพฯ 10120
181 Soi Amorn, Nanglinchee Rd., Chongnonsi, Yannawa, Bangkok 10120 THAILAND
TEL: 0-2213-2514, 0-2287-2827 FAX: 0-2287-2031