







# ฟาร์มเฮ้าส์ ความสุขของ เบลล่า

#Farmhouse #HappinessDaytoYou

ให้มู  
รู้จ๊ะ~♡



# Contents

6	Financial Highlights
8	Message from the Board of Directors
10	Board of Directors
12	Board of Independent Director and Audit Committee
12	Nomination and Remuneration Committee
13	Corporate Governance, Risk Management and Sustainability Committee
14	Investment Committee
15	<b>Section 1 Business Operations and Performance</b>
15	1. Structure and Business Operations
48	2. Risk Management
55	3. Driving Business for Sustainability
59	4. Management Discussion and Analysis : (MD&A)
71	5. General Information and Other Important
73	<b>Section 2 Corporate Governance</b>
73	6. Corporate Governance Policy
89	7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others
106	8. Report on Key Performance in Corporate Governance
124	9. Internal Control and Related Transactions
131	<b>Section 3 Financial Statements</b>
131	Report of The Board of Directors' Responsibilities for Preparation of Financial Statement for The Year 2023
132	Independent Auditor's Report
135	Financial Statements
187	<b>Attachment 1</b> Details of Directors, Executives, Company Secretary and those who are directly responsible for accounting supervision as of 31 December 2023
203	<b>Attachment 2</b> Details of Directors and Subsidiary
204	<b>Attachment 3</b> Details about The Person Holding The Internal Audit Position
205	<b>Attachment 4</b> Business Assets and Details on Asset Valuation
206	<b>Attachment 5</b> Corporate Governance, Ethical Standards and Code of Business Ethics
207	<b>Attachment 6</b> Report of the Audit Committee for the Year 2023
209	Report of the Nomination and Remuneration Committee Report for the year 2023
210	Report of the Corporate Governance, Risk Management and Corporate Sustainability Committee for the year 2023
212	Report of the Investment Committee for the Year 2023



# Royal Bake for You



ฟาร์มเฮ้าส์รอยัล  
หนานุ่ม อร่อยริช

#Bakeด้วยใจมาขายอาโป







# คิ๋วบั้ง

กรอบทุกคำ ปังทุกคิ๋วบั้ง

รสชีส รสโนริสาหร่าย

ใหม่!





ส่งความ Special ด้วย

# Limited edition

5<sup>TH</sup>  
happyversary  
ห้าปีแล้ว

x ฟาร์มเฮ้าส์



สั่งเลย!  
ADDLINE  
@farmhousethai





# Farmhouse® AWARDS



## World Branding Awards 2021-2024



## อว. Quality Award



## No.1 Brand Thailand 2021-2023



# Financial Highlights

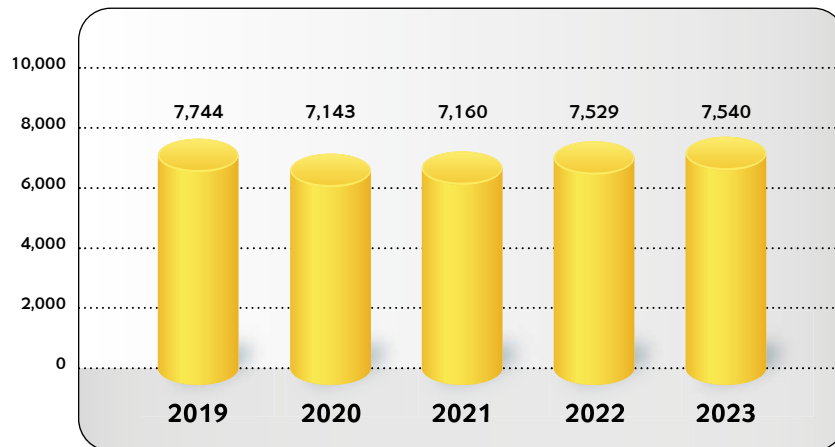
Consolidated	2023	2022	2021
<b>Financial Status (Million Baht)</b>			
Total Assets	12,916.41	12,200.98	11,234.20
Total Liabilities	1,174.73	1,267.00	1,093.73
Total Shareholders' Equity	11,741.68	10,933.98	10,140.47
<b>Performance (Million Baht)</b>			
Total Sales	7,540.44	7,528.86	7,159.94
Total Revenues <sup>/2</sup>	7,597.68	7,570.97	7,207.61
Cost of sales	4,033.11	4,048.93	3,773.53
Profit for the year	1,707.77	1,706.97	1,687.67
<b>Financial Ratio</b>			
Gross Profit Margin (%)	46.51	46.22	47.30
Net Profit Margin (%)	22.48	22.55	23.42
Return on Equity (%)	15.06	16.22	17.41
Total Assets Turnover (times)	0.60	0.65	0.67
Return on Assets (%)	61.77	61.71	59.37
<b>Stock Data (Baht)</b>			
Par Value per Share	1.00	1.00	1.00
Book Value per Share	26.09	24.30	22.53
Basic Earnings per Share	3.80	3.79	3.75
Dividend per Share	*** <sup>/1</sup>	2.00	1.90
Number of Share (million Shares)	450	450	450

<sup>/1</sup> Interim dividend for the operating results during the first half-year at the rate of Baht 0.86 per share such interim dividend was paid by the profit gained from BOI-promoted business at the rate of Baht 0.60 per share and Derived from profit under non-BOI privilege at the rate of Baht 0.26 per share.

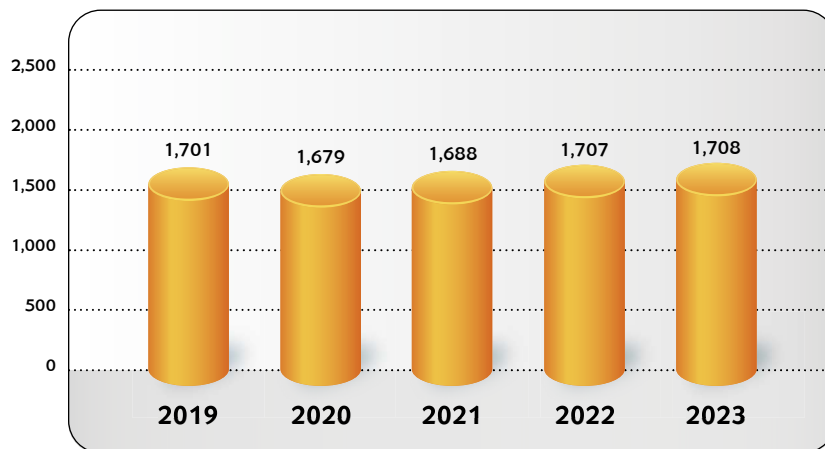
<sup>/2</sup> Total Revenues excluded Share of profit from investment in joint venture and finance income.



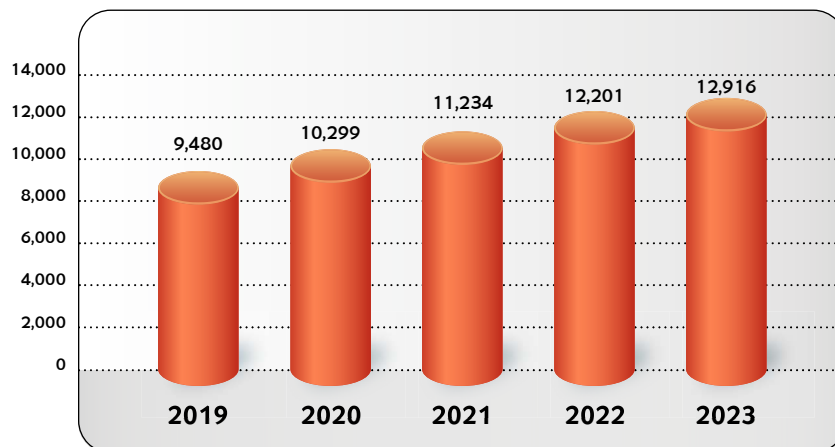
### Total Sales (Million Baht)



### Profit for the year (Million Baht)



### Total Assets (Million Baht)



# Message from the Board of Directors

## Dear Shareholders and Stakeholders

2023 is the year that around the world faces challenges such as financial, economic volatility, geopolitical conflicts, impacts from wars starting with Russia-Ukraine to Israel-Hamas. All of these challenges have impacts on the economy both in Europe and Asia. Thailand is steadily recovering due to economic and social activities and opening the country for foreign tourists. The private sector expects that Thai economy will grow again after the COVID-19 pandemic. However, due to negative factors and internal problems e.g. decreased export, increased oil price, lower number of tourists than expected, and increased household debt, the country's growth is steady.

Although the Company faces challenging situations and market condition changes as mentioned, the Company has conducted strategic plans and adapted continuously. This makes the Company to be able to increase profit turnover from the previous year. In 2023, the Company has sales revenues of 7,540.44 million baht, an increase of 11.58 million baht from 2022. The net profit of 2023 is 1,706.86 million baht.

The Company also complies with the defined policies by purchasing land to build product distribution center building instead of renting. In 2023, the Company has purchased 4 pieces of land, which are Saraburi, Surin, Lopburi and Kanchanaburi. In the present, there are 24 distribution centers that already operate and owned by the Company. In addition to purchasing land following the Company's policies, this is also an effective delivery system quality development to reach consumers sustainably.

In addition to driving main business to growth, the Company also is committed to driving business to sustainability with consideration of environmental, social, and governance (ESG) impacts through continuous practices such as GPS system installation measure and X-Lift cancellation at the back of transport vehicles which reduce fuel energy consumption. As a result, in 2023, the Company is selected to be Thailand's no.1 bread brand from 2 organizations which are World Branding Forum (WBF), England, for the third consecutive year and Marketeer Thailand for the sixth consecutive year. The Company also received sustainability awards from 4 institutions which are Thaipat Institute includes the Company in the ESG100 securities group for the eighth consecutive year, The Stock Exchange of Thailand includes the Company in the SET ESG Rating at AA level, Thai Institute of Directors gives the Company CGR rating of 5 stars (Excellent CG Scoring), and the Ministry of Energy gives the Company Thailand Energy Award in transportation energy conservation category from project that reduce energy use in transportation sector.

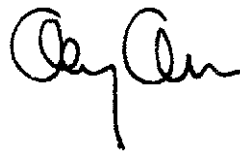




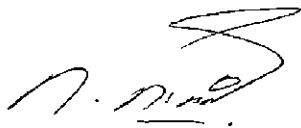
In 2023, PB Flour Mill Company Limited has been established as a Company's subsidiary, operating wheat flour production and distribution business. This is an expansion of the Company's upstream business in order for production cost benefits and main raw materials procurement for the Company's production process.

The Board of Directors has performed duties to the full capacity to supervise the Company's operation with the vision of being the leader in bakery production and distribution and food that is delicious, clean, fresh, safe, nutritious, international standard, responsible to consumers, society and environment, and trust to have confidence and support from all shareholders, stakeholders, and employees, and would like to thank all stakeholders in this regard.

### One the behalf of the Board of Directors



**Mr. Apisate Thammanomai**  
Managing Director



**Mr. Pipat Paniangvait**  
Honorary Chairman/Director



**Mr. Apichart Thammanomai**  
Chairman of the Board and Executive Chairman



# Board of Directors



**Mr. Pipat Paniangvait**  
Honorary Chairman/Director  
Chairman of Nomination  
and Remuneration Committee



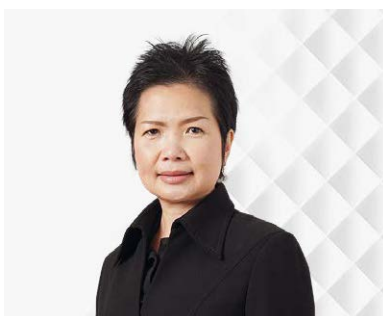
**Mr. Apichart Thammanomai**  
Chairman of the Board  
and Executive Chairman  
Nomination and Remuneration  
Committee



**Mr. Apisate Thammanomai**  
Managing Director  
Corporate Governance,  
Risk Management  
and Sustainability Committee  
Investment Committee



**Mr. Vichai Kulsomphob**  
Director  
Chairman of Investment  
Committee



**Miss Petcharat Anantawichai**  
Director and Senior Management,  
Accounting Dept.  
and Finance Dept. Manager  
Corporate Governance,  
Risk Management and Sustainability  
Committee  
Investment Committee  
Company Secretary



**Miss Panida Prayottaweekij**  
Director  
and Assistant Managing Director  
Corporate Governance,  
Risk Management  
and Sustainability Committee



**Dr. Pojjanee Paniangvait**  
Director  
Corporate Governance,  
Risk Management  
and Sustainability Committee



**Mr. Pun Paniangvait**  
Director  
Investment Committee



**Miss Saipin Kittipornpimol**  
Director  
and Assistant Managing Director  
Corporate Governance,  
Risk Management  
and Sustainability Committee  
Investment Committee



## Board of Directors



**Miss Ubolluck Luevoravinyu**

Director  
and Assistant Managing Director  
Corporate Governance,  
Risk Management  
and Sustainability Committee  
Investment Committee



**Mr. Wattanachai Chotechutrakul**

Chairman of Independent Director  
and Nomination and Remuneration  
Committee



**Mr. Thanapich Mulapruk**

Independent Director  
and Audit Committee  
Chairman of the Corporate Governance,  
Risk Management  
and Sustainability Committee



**Prof. Dr. Piyamitr Sritara**

Independent Director  
Nomination and Remuneration  
Committee  
Corporate Governance,  
Risk Management  
and Sustainability Committee



**Mrs. Aim-On Pathumarak**

Independent Director  
and Audit Committee  
Corporate Governance,  
Risk Management  
and Sustainability Committee



**Mr. Sujet Kowkasai**

Independent Director  
and Audit Committee



## Board of Independent Director and Audit Committee



**Mr. Wattanachai Chotechutrakul**  
Chairman of Independent Director  
and Chairman of Audit Committee



**Mr. Thanapich Mulapruk**  
Independent Director  
and Audit Committee



**Prof. Dr. Piyamitr Sritara**  
Independent Director



**Mrs. Aim-On Pathumarak**  
Independent Director  
and Audit Committee



**Mr. Sujet Kowkasai**  
Independent Director  
and Audit Committee

## Nomination and Remuneration Committee



**Mr. Pipat Paniangvait**  
Chairman of Nomination  
and Remuneration Committee



**Mr. Apichart Thammanomai**  
Nomination and Remuneration  
Committee



**Mr. Wattanachai Chotechutrakul**  
Nomination and Remuneration  
Committee



**Prof. Piyamitr Sritara**  
Nomination and Remuneration  
Committee



# Corporate Governance, Risk Management and Sustainability Committee



**Mr. Thanapich Mulapruk**  
Chairman of the Corporate Governance,  
Risk Management and Sustainability  
Committee



**Mr. Apisate Thammanomai**  
Corporate Governance,  
Risk Management and Sustainability  
Committee



**Miss Petcharat Anantawichai**  
Corporate Governance,  
Risk Management and Sustainability  
Committee



**Miss Panida Prayottaweekij**  
Corporate Governance,  
Risk Management and Sustainability  
Committee



**Miss Saipin Kittipornpimol**  
Corporate Governance,  
Risk Management and Sustainability  
Committee



**Miss Ubolluck Luevoravinyu**  
Corporate Governance,  
Risk Management and Sustainability  
Committee



**Dr. Pojjanee Paniangvait**  
Corporate Governance,  
Risk Management and Sustainability  
Committee



**Prof. Piyamitr Sritara**  
Corporate Governance,  
Risk Management and Sustainability  
Committee



**Mrs. Aim-on Pathumarak**  
Corporate Governance,  
Risk Management and Sustainability  
Committee

## Investment Committee



**Mr. Vichai Kulsomphob**

Chairman of Investment  
Committee



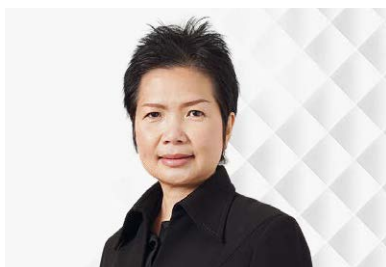
**Mr. Apisate Thammanomai**

Investment Committee



**Mr. Pun Paniangvait**

Investment Committee



**Miss Petcharat Anantawichai**

Investment Committee



**Miss Saipin Kittipornpimol**

Investment Committee



**Miss Ubolluck Luevoravinyu**

Investment Committee



## Section 1 Business Operations and Performance

# 1. Structure and Business Operations

### 1.1 Policy and Business Overview

President Bakery Public Company Limited ("the Company") was incorporated as a limited company on 29 October 1980 and converted to a public company limited on 19 July 2002 with a registered capital of 300 million baht, with paid-up amount of 300 million baht. In 2006, the Company increased its registered capital from 300 million baht to 450 million baht according to the resolution of the shareholders' meeting No. 27 held on 25 April 2006 and registered the capital increase on 15 June 2006. On 28 April 2011, the 32<sup>nd</sup> Annual General Meeting of Shareholders resolved to approve the Company to change the par value of ordinary shares from the original par value of 10 baht per share to a par value of 1 baht per share. The shares has increased from 45 million shares to 450 million shares. The Company registered the change in par value with the Ministry of Commerce on 12 May 2011.

Its major shareholder is Thai President Foods Public Company Limited, which is a public company incorporated in Thailand. The main business is the production and distribution of bread and bakery which is the sale of products under the Company's trademark to traditional retailers (Traditional Trade) and modern retailers (Modern Trade), by selling in the form of outright sale. When delivering new products, the Company will replace the old product that the retailers did not sell in order to manage the freshness of the products. The Company has a bakery retail business by selling products under the Company's trademark, through its own retail stores and by customers' demand. The Company also sells made-to-order products to fast food restaurants and convenience stores.

The Company's business is divided into 4 business lines as follows:

1. Wholesale bakery business. The selling products are such as sliced breads, burger buns, hot dog buns, Snack Bread, Snack Cake such as stuffed bread, instant sandwiches, cakes and other bakery products. The products are distributed under "Farmhouse" trademark and Farmhouse Vending Machine, Good Morning Farmhouse and Farmhouse Delivery.
2. Retail bakery business. The selling products are such as bakeries sold in DeliYa, cakes by Madame Marco and Farmhouse's mooncakes.
3. Fast food business. The selling products are such as burger buns, hot dog buns, sliced breads, French breads, croissants, biscuits and pizza dough. These products are being sold to restaurants such as McDonald's, KFC, Pizza Hut, Burger King, Chester's Grill, The Pizza Company, Sizzler, etc., as well as fried products such as breadcrumbs.
4. International sales (through domestic traders) bread crumb products including sliced bread ready-to-eat bread and other bakery

#### 1.1.1 Vision, Mission and Core Values

The Board of Directors participated in the endorsement of the vision and mission of the Company. In order to operate in accordance with the vision and mission that has been laid, the management has appointed a strategic planning working group to formulate a consolidated strategic plan of the Company, and prepare a strategic plan for each department, which will be a guideline for operation as well as establishing a system for monitoring, improving and evaluating the operating results in comparison with the plans and the specified budget, in order to maximize the value to the Company with the vision mission and core values as follows:



## Vision

Being the leader of bakery and food manufacturer and distributor with clean, fresh, safe and nutritional product at international quality standard as well as having the responsibility to the consumer society, and environment.



## Mission

1. Research, develop, study of the new innovation in order to product healthy products emphasizing on natural ingredients with good quality, delicious, clean, fresh, safe and beneficial to consumers.
2. Develop a modern, clean and safe production system by using intelligent technology and control system that are good, efficient and can compete with the industry.
3. Develop sales management and transportation systems by applying information technology to analyze the data and management, so that the products and services can reach consumers quickly efficient, clean, safe and in-time of the demand.
4. Promote and develop the potential of employees to have knowledge, keep up with the changes of technology, keep up with the world, as well as having creativity, knowledge and abilities to create opportunity for their career growth.
5. Establish love, unity, justice, adhere to the principles of good governance and good corporate governance in order to gain the strength and sustainability for the organization.



## Core Values



The Company has seen the importance of the core value, which is the main conceptual framework for clearly defining the behavior of employees in the organization, create corporate culture, employee identity, so that the employees are driven in the same direction, leading to the achievement of the Company's business goals and objectives, by setting the corporate core value with the cord A-C-T-I-V-E, which has the following meanings:

### FARMHOUSE CORE VALUES

- |                       |  |
|-----------------------|--|
| <b>A (Attitude)</b>   | Positive attitude towards themselves, colleagues and the organization.   |
| <b>C (Commitment)</b> | To keep the promise, having determination and able to achieve the goals. |
| <b>T (Teamwork)</b>   | Work together as a team by knowing their responsibilities.               |
| <b>I (Innovation)</b> | Create, improve and develop new things.                                  |
| <b>V (Value)</b>      | Create value for themselves, organization and the stakeholders.          |
| <b>E (Ethics)</b>     | To have work ethics, diligence, patience and honesty                     |



## Objectives and Long-term Goals in Business Operations

The Company aims to a sales target of over 10 billion baht has been set for within the next 5 years and has the intention to maintain its leadership status regarding the production and distribution of bread and other bakeries in wholesale manner with consistent standard and quality, as well as has the commitment to introduce new innovations and continually developing new products, for consumers to have the opportunity to access good quality products at a reasonable price, by using modern technology according to international standards on the basis of proper use of resource and environmental friendliness. The Company is also expanding the market to new consumer groups, as well as developing existing products to have added value in order to meet the ever-changing needs and behaviors of the consumers. This includes increasing the potential of employees at all levels to enhance competitiveness, along with taking care of the social community and create appropriate returns for shareholders, by operating business that takes all stakeholders into account for sustainable business growth.

In addition, the Company also aims to continually accelerate its retail bread and bakery business, as well as expand into related food businesses in the future

### 1.1.2 Major Changes and Developments

#### Significant developments in the past 3 years

##### Year 2021 Investment

In 2021, the Company bought 3 plots of land in Khon Kaen, Phuket and Nakhon Si Thammarat to build distribution center buildings. As of the end of 2021, there are 16 distribution centers completed on the Company's land, 4 are under construction and 21 rental locations, a total of 41 locations. The Company will gradually buy land to build distribution centers instead of renting according to the policy.

The Company has increased investment in common shares of Saha Capital Tower Company Limited from 2,000,000 shares, with the additional investment of 3,000,000 shares. Therefore, a total of 5,000,000 shares with a par value of 100 baht per share, totaling 500,000,000 baht, or 10% of the registered capital.

The Company has invested in the purchase of ordinary shares of Sun Vending Technology Public Company Limited (SVT), which operates retail business through vending machines, as well as selling vending machines to customers under the trademark "SUNVENDING", amounting to 200,000 shares at a par value of 2.54 baht, totaling 508,000 baht, representing 0.03% of the total registered capital of 700 million shares.

The Company has invested in 1 additional private fund in the amount of 200 million baht and used the money from managing funds to invest in order to diversify the investments.

## Information Technology

Due to the ongoing situation of the COVID-19 pandemic, more consumers are working from home, reducing traveling and turning to buy more products online. The Company has expanded its online sales channels in order to reach the consumers directly by receiving orders through Line Official for customers who want to use the products in various activities as well as delivery channels. The Company has also upgraded the tablets to the new model, to prepare and support the working system in the future.

The Company prioritizes the management of the transportation system since it is an important mechanism for product distribution from the factory to the consumer. The Company, therefore, installs GPS in all the trucks from the distribution center to the shops, along with the installation of the Transportation Tracking System. In addition to increasing the safety of car and road use, it can control driving behavior in order to plan cargo routes, making it possible to manage better use of the car, resulting in increased fuel efficiency and the quality of product delivery to customers on time.

## Year 2022

- The Company introduced a new brand ambassador named Fumi Hausu, a Japanese anime avatar, in response to the growing trend of the digital world and metaverse.

- The Company made an investment of 180 million baht in Hydrogen Freehold and Leasehold Real Estate Investment Trust Units.

- The Company invested 35 million baht in ordinary shares of King Square Development Company Limited, amounting to 40,000 shares with a par value of 1,000 baht per share, covering 87.5% of the total shares.

- The Company made a strategic decision to purchase a land in Pattani to build a distribution center instead of continuing to rent. As of the end of 2022, the Company owned 20 distribution centers and leased 28 additional locations across all regions.

- In 2022, the Company focused on improving to increase the efficiency of data management and analysis by focusing on improving the Business Intelligence (BI) program and improving the Interface screen to be able to analyze data more accurately. This includes improving the infrastructure system, such as increasing the size of the channel and speed of data transmission to increase the ability to receive sales data from the field to analyze and control product sales and product return management to be more efficient, supporting the expansion and changes in consumer behavior of customers according to the current economic situation. In addition, the information security system has been improved to be more secure both in terms of programs and procedures to support the Computing Act with announcement.

- On September 30, 2022, the Company was certified for the renewal of membership in the Thai Private Sector Collective Action Against Corruption (CAC) for the 2<sup>nd</sup> time.

## Year 2023

- The Company was selected as 1 of 193 companies in SET ESG Rating 2023. The Company gets assessment results in AA level from the Stock Exchange of Thailand. SET ESG Ratings is a ranking award from sustainable stocks assessment of listed companies in the Stock Exchange of Thailand from performance assessment of listed companies that conduct business sustainably.

- On September 18, 2023, the Board of Directors' meeting had a resolution to approve investment establishing a new subsidiary company named PB Flour Mill Company Limited to conduct wheat flour production and distribution business with registered capital of 500 million baht (ordinary share 5,000,000 shares, 100 baht par value). The Company has 99% investment proportion of registered capital.

- The Company purchased 4 pieces of land which are Saraburi, Surin, Lopburi and Kanchanaburi to build a distribution center instead of continuing to rent. As of the end of 2023, the Company owned 24 distribution centers and leased 26 additional locations, 50 in total, across all regions.

- The Company has improved work process by using more information technology in order to improve work efficiency and help in work procedures such as developing program on tablet for the QC department to record data in production line instead of in paper, and record in the computer system again in order to reduce paper use, repetitiveness, and mistakes from work, etc.

### 1.1.3 Use of proceeds from debentures offering

-None-

### 1.1.4 Commitments stipulated in the debenture registration statements

-None-



General Information	
<b>Company's Name</b>	President Bakery Public Company Limited
<b>Symbol</b>	PB
<b>Nature of Business</b>	Manufacture and distributor of bread and bakery products
<b>Registered</b>	No. Bor Mor Jor 0107545000144
<b>Registered Capital</b>	450,000,000 Ordinary Shares, Par Value at 1 Baht per Share
<b>Issued and fully paid-up</b>	450,000,000 Ordinary Shares, Par Value at 1 Baht per Share
<b>Head Office</b>	121/84-85, 29 <sup>th</sup> Floor, R.S. Tower, Ratchadapisek Road, Dindaeng, Bangkok 10400
<b>Telephone</b>	0-2209-3000
<b>Fax</b>	0-2209-3091
<b>Website</b>	<a href="http://www.farmhouse.co.th">http://www.farmhouse.co.th</a>
<b>Registrar</b>	Thailand Securities Depository Co., Ltd. 93, Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel. 0 2009-9000 Fax. 0 2009-9991
<b>Auditor</b>	EY Office Limited 193/136-137, 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. 0-2264-0777, 0-2661-9190 Fax. 0-2264-0789-90, 0-2661-9192
<b>Legal Consultant</b>	F.N. Infinity Co.,Ltd. 611/40, Soi Wat Chan Nai, Charoen Krung Road, Bang Khlo, Bang Kho Laem, Bangkok 10120 Tel. 0-2689-8946, 0-2291-0414 Fax. 0-2291-1127

## 1.2 Nature of Business

### 1.2.1 Revenue Structure

Product / Services	2023		2022		2021	
	Thousand	%	Thousand	%	Thousand	%
<b>1. Wholesale Bakery Business</b>	<b>6,740,778.51</b>	<b>88.72</b>	<b>6,810,460.44</b>	<b>89.95</b>	<b>6,570,942.04</b>	<b>91.17</b>
1.1 Sliced Bread	3,493,382.41	45.98	3,628,231.23	47.92	3,615,860.25	50.17
1.2 Burger Bun and Hot Dog Bun	98,059.68	1.29	90,675.47	1.20	84,182.39	1.17
1.3 Snack Bread	1,834,958.81	24.15	1,760,883.12	23.26	1,714,397.00	23.79
1.4 Snack Cake	1,051,280.90	13.84	1,070,947.68	14.15	905,788.42	12.57
1.5 Sweet Bakery and Confectionery	263,096.71	3.46	259,722.94	3.43	250,713.98	3.48
<b>2. Retail Bakery Business</b>	<b>131,419.40</b>	<b>1.73</b>	<b>117,505.36</b>	<b>1.55</b>	<b>97,860.10</b>	<b>1.36</b>
2.1 Deliya	44,004.68	0.58	30,952.59	0.41	20,223.40	0.28
2.2 Madame Marco	87,414.72	1.15	86,552.77	1.14	77,636.70	1.08
<b>3. Fast Food &amp; Catering</b>	<b>629,585.59</b>	<b>8.29</b>	<b>551,893.05</b>	<b>7.29</b>	<b>409,279.42</b>	<b>5.68</b>
Fast Food & Catering	629,585.59	8.29	551,893.05	7.29	409,279.42	5.68
<b>4. Export (Through Domestic Traders)</b>	<b>38,659.29</b>	<b>0.51</b>	<b>49,000.82</b>	<b>0.65</b>	<b>81,855.73</b>	<b>1.14</b>
Total Revenues from Core Business	7,540,442.79	99.25	7,528,859.67	99.44	7,159,937.29	99.34
<b>5. Other Income</b>	<b>57,236.38</b>	<b>0.75</b>	<b>42,108.96</b>	<b>0.56</b>	<b>47,675.20</b>	<b>0.66</b>
<b>Total Revenues</b>	<b>7,597,679.17</b>	<b>100.00</b>	<b>7,570,968.63</b>	<b>100.00</b>	<b>7,207,612.49</b>	<b>100.00</b>

**Remark :** Total Revenues excluded share of profit from investment in joint venture and finance income



## 1.2.2 Product Information

### (1) Nature of Products and Services and Innovation Development

#### Business and Production Line





Sliced Bread



Hokkaido  
Milk Flavoured Bread



White Bread

## Sliced Bread

### 1. Wholesale Bakery Business

It is a business that produces and sells bakery products in a wholesale manner, under “Farm House” trademark by delivering products to various channels / stores, with the main customers being modern retailers and traditional retailers, namely:

- Hypermarkets such as Lotus’s, Big C, Makro, etc.
- Department stores such as Kalasinplaza, local department stores, Trantraphan Supermarket, Super Cheap etc.
- Supermarkets such as The Mall, Tops, Foodland, Villa, etc.
- Convenient stores such as 7-eleven, Lotus’s Go Fresh, Tops Daily, Lawson 108, Mini Big C, CJ EXPRESS, etc.
- Stores in various gas stations such as Jiffy, Bangchak, PT Max Mart, Shell Select, etc.
- Traditional retail stores such as general small shops including shops within schools, factories, and welfare shops in various government offices, etc.

**Products Sold in the Wholesale Bakery Business are as follows:**

#### 1.1 Sliced Bread

Sliced bread is the first product produced and distributed by the Company. From the past until now, it has generated the highest level of brand awareness for Farmhouse. This product is considered the Company’s main source of revenue, due to the nature of the product which is consumable in various ways and suitable for all ages and groups. The Company originally offered only plain sliced bread. The Company had developed and introduced variety of product as follows:

##### (1) White Bread

White bread is a group of sliced bread with white texture, made from 100% unbleached wheat flour. It is an ideal product suitable for all genders and ages and can be used to cook a variety of dishes at any time. The products in this group are 480 grams of Sliced Bread, 240 grams of Sliced Bread, White Bread, Royal Bread and Hokkaido Milk Flavoured Bread.





## Sliced Bread

### (2) Grain Bread

Grain bread is a type of bread that contains various grains to increase its nutritional value. This is in line with the lifestyle of Thai people, who are increasingly interested in their health, specifically the selection of good food products for health. Products in this group are 500 grams of whole wheat bread, 250 grams of whole wheat bread, and Fine whole wheat bread which are suitable for children and health-conscious customers who do not like the texture of the original whole wheat bread. The last one makes it easier to consume whole wheat bread. There are also Royal Whole Wheat, 285 grams of thickly sliced whole wheat bread, Royal 12 Grain, bread with 12 kinds of grains, and thickly sliced soft 285 grams of bread full of various grains and benefiting from the special formula that is thick,

soft, and tasty. Lastly, Royal Sprouted Grain is a 280-gram soft whole-grain bread mixed with germinated rice, acquiring GABA. There are 4 products that received the Health Choice symbol: 500 grams of whole wheat bread, 250 grams of whole wheat bread, Fine whole wheat bread, and Royal Sprouted Grain of whole grain bread with soft sprouted rice.

### (3) Flavored Bread

It is the Company's new type of sliced bread with built-in flavor that can be eaten alone or used to cook a variety of dishes to increase consumers' eating choices. Products in this group are Butterscotch Bread and Raisin Bread, Ovaltine Butterscotch Flavoured Bread that is unique and unprecedented.



Hot Dog Roll



Burger Bun with  
Sesame Seed



Top Sliced  
Hot Dog Roll

## Burger Buns and Hot Dog Buns



Ovaltine Crunchy  
& Milk Butter  
Filled Two Tone  
Sandwich



Milk Butter  
& Strawberry  
Filled Two Tone  
Sandwich



Chocolate  
& Strawberry  
Filled Two Tone  
Sandwich



Tuna  
Mayonnaise  
Daily Sandwich



Shredded Pork  
Mayonnaise  
Daily Sandwich



Shredded  
Chicken  
Chili Paste  
Daily Sandwich



Crab Stick  
Mayonnaise  
Daily Sandwich



Crab Stick  
Chili Paste  
Daily Sandwich



Tuna Corn Salad  
Whole Wheat  
Sandwich



Ham & Egg  
Mayonnaise  
Whole Wheat  
Sandwich



Tuna  
Mayonnaise  
Sandwich



Crab Stick  
Mayonnaise  
Sandwich



Shredded Pork  
Mayonnaise  
Sandwich



Thai Custard  
Filled  
Sweet Sandwich



Chocolate  
Filled  
Sweet Sandwich



Milk Butter  
Cream With  
Almond Filled  
Sweet Sandwich

## Snack Bread

### 1.2 Burger Bun and Hot Dog Bun

Available products include buns for burgers sprinkled with sesame seeds, buns for hot dogs, and buns for hot dogs with toppings. They are all products that can be a variety of dishes, such as burgers with various fillings or hot dogs with various fillings, etc.

### 1.3 Snack Bread

It is a ready-to-eat bakery product, packaged in a single sachet, suitable for one-time consumption, which is suitable for the lifestyle of consumers in a fast-paced city who want convenient, fast, and portable food that can be

eaten anytime, anywhere. There are many types of products and many flavors suitable for all target groups including students, working people, and everyone. Products in this group include 5 flavors of daily sandwiches, 3 flavors of sweet sandwiches, 9 flavors of Filled Bun 70-80 grams, 7 flavors of Filled Bun 50 gram, 5 flavors of Spread Bread, 4 flavors of Pae Bread, 3 flavors of loaf Bread, 4 flavors of Filled Hot Dog Bun, 5 flavors of Filled Hot Dog Bun 50 gram, 5 flavors of sandwiches. In 2023, there is a new products which is Salad Dressing And Shredded Pork Filled Hot Dog Bun and Mocha Spread Bread.





Mocha Spread Bread



Hokkaido Milk Flavoured Cream Spread Bread



Chocolate Spread Bread



Butter Spread Bread



Thai Custard Spread Bread



Taro Filled Bun



Red Bean Filled Bun



Thai Custard Filled Bun



Thai Custard Milk Filled Bun



Chocolate Custard Filled Bun



Cream Custard Filled Bun



Black Bean Filled Bun



Coconut & Taro Filled Bun



Coconut & Pandan Custard Filled Bun



Red Bean & Lotus Seed Filled Bun



Thai Custard Filled Bun



Taro Filled Bun



Red Bean Filled Bun



Black Bean Filled Bun



Red Bean & Black Sesame Filled Bun



Chocolate Custard Filled Bun



Salad Dressing And Shredded Pork Filled Hotdog Bun



Hokkaido Milk Flavoured Cream Filled Hotdog Bun



Chocolate Flavoured Cream Filled Hotdog Bun



Coffee Flavoured Cream Filled Hotdog Bun



Pineapple Flavoured Cream Filled Hotdog Bun



Strawberry Flavoured Cream Filled Hotdog Bun



Ovaltine Crunchy Filled Hot Dog Bun



Hokkaido Milk-Almond Flavoured Cream Filled Hotdog Bun



Coffee-Almond Flavoured Cream Filled Hotdog Bun



Strawberry-Raisin Flavoured Cream Filled Hotdog Bun



Butter Bread



Taro Bread



Coconut Pandan Flavoured Bread



Cocoa Flavoured Bread



Loaf Chocolate Chip Raisin Cocoa Bread

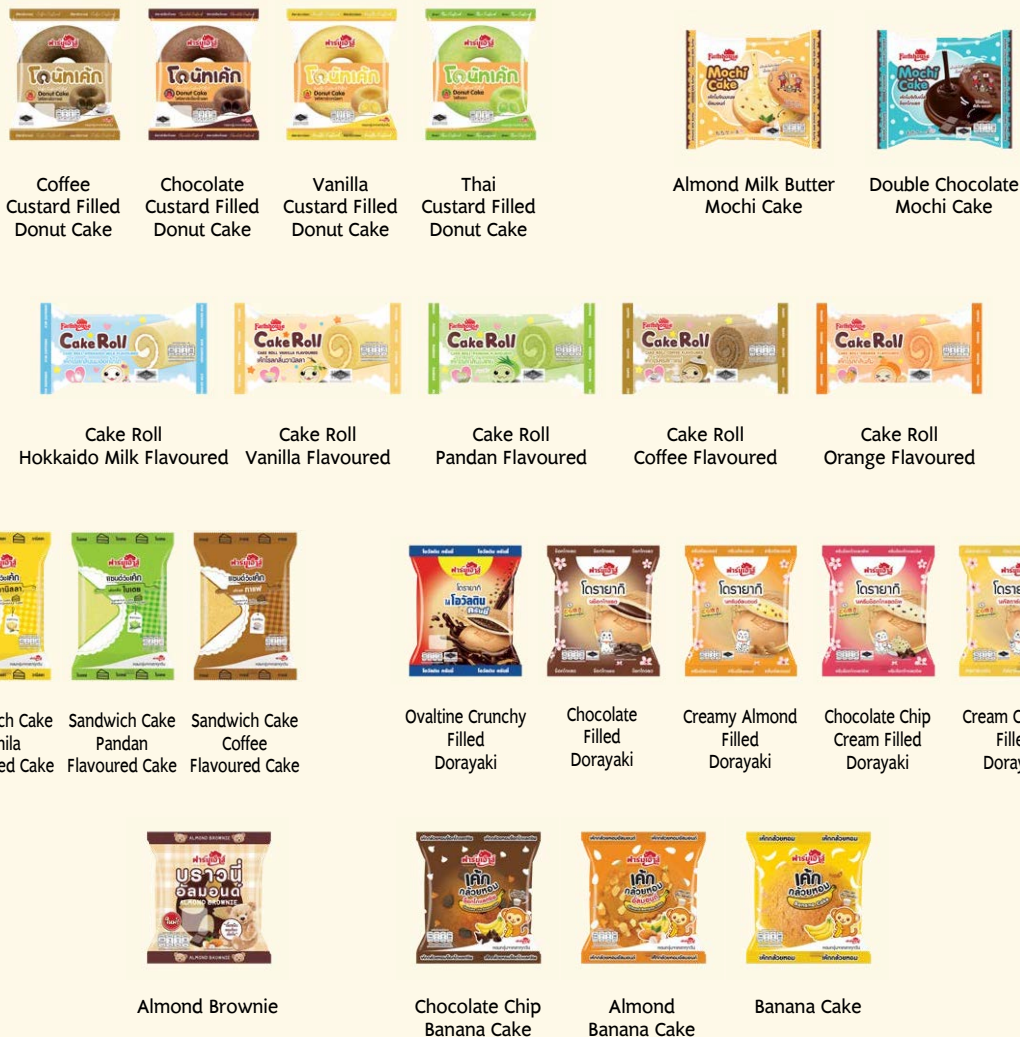


Loaf Raisin Bread



Loaf Mocha Butterscotch Flavoured Bread

## Snack Bread



## Snack Cake

### 1.4 Snack Cake

The Company sees a gap in the current market where there is no ready-to-eat cake brands that has a standard and is accepted by the market. By the readiness of the Company together with the expertise in cake production, the Snack Cake product group has been developed for distribution. The snack cake product group that the Company produces and distributes consists of 3 flavors of banana cake: Banana Cake, Almond Banana Cake, and Chocolate Chip Banana Cake. 5 flavors of Cake Roll are Cake Roll Coffee Flavoured, Cake Roll Pandan Flavoured, Cake Roll Orange Flavoured, Cake Roll Vanilla Flavoured and Cake Roll Hokkaido Milk Flavoured. Dorayaki

has 5 flavors: Cream Custard Filled Dorayaki, Chocolate Filled Dorayaki, Cream Almond Filled Dorayaki, Chocolate Chip Cream Filled Dorayaki and Ovaltine Crunchy Filled Dorayaki. Sandwich Cake comes in 3 flavors: Sandwich Cake Vanilla Flavoured Cake, Sandwich Cake Pandan Flavoured Cake and Sandwich Cake Coffee. Donut Cake comes in 4 flavors: Vanilla Custard Filled Donut Cake, Chocolate Custard Filled Donut Cake, Thai Custard Filled Donut Cake and Coffee Custard Filled Donut Cake. There are also 2 flavors of mochi cake: Almond Milk Butter Mochi Cake and Double Chocolate Mochi Cake. In 2023, there is a new product which is Almond Brownie.





Cookies  
Butter  
Flavoured



Cookies  
Fruit  
Flavoured



Cookies  
Raisin  
Flavoured



Cookies  
with Chocolate  
Chip



Butter Cookies  
Mocha Almond



Butter Cookies  
Hokkaido Milk



Butter Cookies  
Vanilla



Butter Cookies  
Chocolate



Cube Pang  
Cheese Flavoured  
Crispy Bread



Cube Pang  
Nori Seaweed  
Flavoured  
Crispy Bread



Butter Toast



Raisin  
Butter Toast



Mini  
Butter Toast



Pineapple  
Fruit Pie



Strawberry  
Fruit Pie



Blueberry  
Fruit Pie



Coconut &  
Pandan Custard  
Pie



Chocolate  
Pie



Taro Pie



Pineapple Pie



Corn Pie



Farmhouse Vending  
Machine

## Confectionery

### 1.5 Other Bakeries

Products in the group confectionery consists of Mini Butter Toast, Buttered Toast, Raisin Butter Toast, and cookies with 4 flavors: Cookies Butter Flavoured, Cookies Mixed Fruit Flavoured, Cookies Raisin Flavoured, and Cookies with Chocolate chip. 4 flavors of butter cookies: Butter Cookies Vanilla, Butter Cookies Chocolate, Butter Cookies Hokkaido Milk and Butter Cookies Mocha Almond. 3 flavors of fruit pies: Pineapple Fruit Pie, Strawberry Fruit Pie, and Blueberry Fruit Pie. The products in the Pie (Pastry) group consist of Pineapple Pie, Taro Pie, Chocolate Pie

and Corn Pie. In 2023, there are new product such as Coconut & Pandan Custard Pie, Cube Pang Nori Seaweed Flavoured Crispy Bread, Cube Pang Cheese Flavoured Crispy Bread, Banana Fruit Pie and Mango Fruit Pie.

### 1.6 Farmhouse Vending Machine

To focus on services and facilitating consumers, the Company has added new distribution channels by bringing bread vending machines to provide services in places such as office buildings, hospitals, and factories.



Farmhouse Delivery



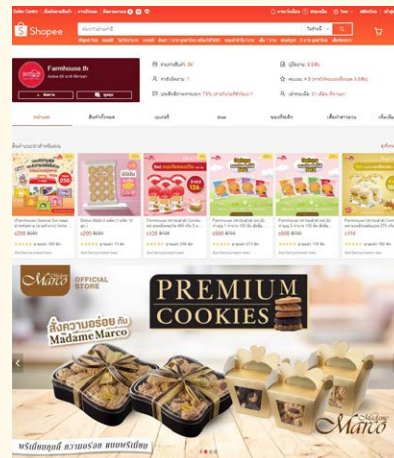
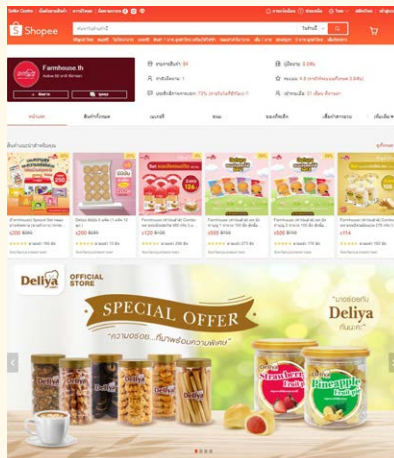
Good Morning Farmhouse

### 1.7 Farmhouse Delivery

To increase sales channels and deliver products directly to consumers and opening other online sales channels such as website, Line, Shopee, Lazada channels.

### 1.8 Good Morning Farmhouse

It sells products to sandwich sales representatives under the Company's model. The goal is to increase the popularity of bread consumption in various forms among general consumers and to encourage individuals to have a career and earn extra money in which sales representatives will buy products for making sandwiches from the Company and make sandwiches according to the needs of consumers. The Company will select sales representatives based on location and service availability.



## 2. Retail Business

Selling products through the Company's retail stores and direct sales to customers under the Company's trademarks which are:

### 2.1 Deliya

From the company's policy who want to expand into the bread and bakery retail business which has expanded more at present, along with the experience and credibility of the Company in the bread and bakery business, the Company has opened Deliya shop, which produces and distributes a variety of fresh homemade bread and bakery products, as well as selling bakery, Snack Box as well as delivering in Bangkok and its vicinity. As of the end of 2023, there are 9 branches at RS Tower Ratchada, The Mall 3 Ramkhamhaeng, Paradise Park, The Mall Bangkok, Boonthavorn Kaset-Nawamin, Tops Central Rama 9, Muang Thai-Phatra, The Mall Tha Phra and Sinn Sathorn Tower.

### 2.2 Madame Marco

Homemade soft cake, original European style recipe. Under the concept "The European Delight". Starting from the selection of quality raw materials from both within the country and abroad, through the clean and meticulous production process and with the unique Made To Order system of Madame Marco Cakes, the Madame Marco Cakes are delicious and fresh for every order as well as free delivery service to both Bangkok and its surrounding areas. Under the authentic European flavor, this makes Madame Marco the number 1 cake brand in the hearts of many people.

Currently, Madame Marco has increased distribution channels by opening Madame Marco Shops which, at the end of 2023, has a total of 22 branches, including Siam Paragon, The Mall Ngamwongwan, The Mall Bang Khae, The Mall Bangkok, The Mall Tha Phra, Paradise Park, Fashion Island, Crystal Ratchaphruek, The EmQuartier, Central Pinklao Tops, Central Westgate Tops, Central Bangna, Tops Central Rama 3, Tops Central East Ville, Tops Central Ladprao, Terminal 21 Asoke, Central Rama 2, Empire Tower Sathorn, Tops Future Park Rangsit, Tops Central Ramindra, Tops Central Westville and Mega Bangna.





Fast Food / Restaurant



Special Formula Bread Crumbs



Bread Crumbs

By present, Delivery Lineman channels are also provided to meet the needs of consumers. Also, Madam Marco offers free delivery. Both in Bangkok and surrounding areas and can be delivered nationwide according to the company's delivery routes. (Only Genoa cake and cookies), for more details:

Call Center : Tel. 02-700-9210

Website : [www. Madamemarco.co.th](http://www.Madamemarco.co.th)

Facebook : [www.facebook.com/madamemarco.co.th](http://www.facebook.com/madamemarco.co.th)

Line ID : @madamemarco

Instagram : madammarcothai

### 3. Fast Food/Restaurant

Products produced and sold according to customer orders, including fast food restaurants such as McDonald's, KFC, Chester's Grill, Santa Fe Steak, Mos Burger (From Japan), Minor Food Group, namely Burger King, Sizzler, The Pizza Company, etc., as well as restaurants and coffee shops such as The Coffee Club, S&P, which are all famous restaurants with the highest sales around the world, including Thailand.

### 3.1 Fast Food

Products manufactured and sold, including burger buns and hot dog buns in various sizes, with or without sesame seeds. The Company has automated production throughout the production process. As well as other products such as French bread, croissants, biscuits and other products developed to satisfy customers. At present, the company is regarded as the largest supplier of bread products in the country.

### 3.2 Restaurant

Fried Products is a group of products used for cooking fried food which is also a favorite of Thai consumers such as bread crumbs, made from fresh bread with a special recipe, standard flake size, not too finely ground, white and adhere well to food. It makes fried food looks golden, appetizing, delicious, not greasy, stay crispy longer, suitable for frying both meat and vegetables.

## 4. Export (Through Domestic Traders)

The Company distributes its products to domestic traders who further distribute them to various foreign countries, including Poland, Norway, Switzerland, Germany, the Maldives, Bahrain, the United Arab Emirates, Taiwan, Cambodia, Myanmar, and Laos. The range of products bread, buns for burgers and hot dogs, ready-to-eat bread, cakes, and other bakery items. To ensure the quality and freshness of the products, they are also distributed to neighboring countries such as Laos, Myanmar, and Cambodia.

## (2) Marketing and Competition

### 1. Marketing

#### 1.1 New Products

In 2023, the Company launched 8 new products to increase consumer choice, including:

1. Salad Dressing And Shredded Pork Filled Hot Dog
2. Almond Brownie
3. Coconut & Pandan Custard Pie
4. Cube Pang Nori Seaweed Flavoured Crispy Bread
5. Cube Pang Cheese Flavoured Crispy Bread
6. Mocha Spread Bread
7. Banana Fruit Pie
8. Mango Fruit Pie

#### 1.2 Production philosophy that seeks quality for consumers

To get the most benefit by adhering to the following 4 principles which are:

1. Choose good raw materials in order to get the best quality products.
2. Continuously develop products to meet the nutritional needs of Thai people.
3. Develop production technology and management to always create better quality products.
4. Adhere to the principles of safety, fresh, clean, so that consumers get the best products.

#### 1.3 At present, the Company is regarded as the number one leader in the bread and bakery market

In terms of production technology. This technology is considered the most advanced in Southeast Asia and has the highest total production potential in the country. The Company is also maintaining the quality and standards of every product along with the ability to distribute products throughout the country on a day-to-day basis.

General market conditions that affect the company can be seen in the various stores, whether they are modern retail stores, traditional retail stores, or general fast food restaurants that are the company's distribution channels, which are highly competitive both in terms of price and various sales promotions, including expanding more branches. Such expansion will benefit the company's sales and competition in various businesses. This will also benefit consumers, who will be able to consume products that meet quality standards or higher at a reasonable price, making them able to cover all the expanded sales areas and have a greater frequency of product placement throughout the country.

From care in every process under the operating philosophy to create confidence for consumers to buy bakery products that are fresh, clean, high quality and consistent with standards such as having good packaging labels that can maintain products' quality until reaching the consumer's hand, having outstanding beauty, interesting to consumers, being the first display of expiration date, providing nutritional information on the label, educating consumers about ingredients and the use of efficient information systems to manage the distribution of products for the freshness of the products.

#### Development of Production Process Standards and Quality Control

The Company has continuously realized and prioritized food quality and safety. Therefore, it is committed to improving and developing production machinery, technology, and efficiency to produce and distribute bread and bakery products that regularly meet the standards of quality, safety, and nutrition value together with national quality systems and quality assurance such as food production certified by the Good Hygiene Practices (GHPs), Hazard Analysis and Critical Control Point System (HACCP), Halal Food Standard, laboratory capabilities certified by international standard ISO/IEC 17025, etc. In addition to cleanliness, freshness, and safety in every process from ingredient selection, production, product research and development, and quality packaging to finished goods delivery, the Company also controls and prevents products from microorganisms, chemicals, and allergens to provide quality and safe products to consumers. The Company gives importance to the quality of ingredients and packaging,

including the sources, so it is committed to developing its business partners who deliver ingredients and packaging. There are procedures for controlling and inspecting the quality of ingredients at the production sites of each ingredient and packaging supplier both domestic and international. Suggestions on product safety and quality systems are also promoted and provided to SMEs. The Company has been audited for its quality system and production process by customers or business partners such as fast food business groups, wholesale and retail business groups, etc., with the standard “safe food for every consumer” to ensure its quality control and assurance systems complying with the Global Food Safety Initiative (GFSI), etc., Besides, the Company passes the audits from customers or business partners in terms of labor and human rights, occupational hygiene and safety, and the environment to assure its consumers in terms of quality and safety at all processes according to the standards.

### **Product Research and Development (R&D)**

The Company is committed to research and development to continually improve the quality and nutritional value of its products and expand products' market in order to be differentiated and varied and to meet the changing needs of consumers.

#### **1. Choosing to use natural preservatives**

Throughout the past 4-5 years, the Company has been committed to continuous research and development of product quality, starting with selecting good ingredients and choosing to substitute preservatives derived from synthetic chemicals with natural preservatives to maintain the product quality and safe shelf life for consumers. As bakery products have a short shelf life because of their high humidity, natural preservatives help prevent the growth of bacteria, yeasts, and molds, providing nutritional value for the products throughout their life and supporting the entire supply chain from production to transportation from the factory to the distribution center and stores to consumers, in fast food business group, wholesale and retail business group, etc.

#### **2. Development of healthier alternative products (Healthier Choice)**

Since the COVID-19 pandemic situation, consumers' behavior has changed to paying more attention on health. The product research and development department has conducted study to continually develop new products and improve the quality of existing products to be more nutritious to meet the needs of consumers. The Company's products have passed the criteria for receiving the symbol “Healthier Choice” that the Food and Drug Administration has set to control the amount of sugar, fat, salt (sodium), and dietary fiber in an appropriate amount. However, in addition to their benefits, the aforementioned products are also beneficial to your health. The Company also takes into account deliciousness, smell, taste, good texture, and consumer needs, focusing mainly on products that have been researched, developed, and improved in quality. The product quality must pass the sensory test from a group of general testers and expert testers to obtain quality, delicious, and nutritious products and meet the consumer needs as much as possible.

#### **3. Choosing to Use Vegetable Fat Derived From Palm Oil Ingredients Certified With the Sustainable Palm Oil Production Management Standard (RSPO : Roundtable on Sustainable Palm Oil):**

It is the most internationally recognized sustainable palm oil production standard covering all sustainability dimensions of economic, social, and environmental aspects. The Company uses vegetable fat derived from palm oil certified with the RSPO standard in order to support certified palm oil producers to sell more products, which promotes natural preservation, farmer occupation, and certifies the source and quality of palm oil.

#### **4. Cleaner Label products**

The Company is committed to conducting research, developing, and creating products that truly promote health for consumers. The result is to obtain products manufactured by reducing the use of chemical additives or synthetic ingredients. Therefore, the Company has turned to using color, odor, and flavor additives that are produced from natural ingredients and are good for the future environment, including displaying the information on the product label correctly, transparently, and easily for understanding.



## 5. Sensory Quality Assessment (Sensory Test)

In the past 1-2 years period, the sensory quality analysis department has conducted beginner class an intermediate class trainings for general employees in order to find employees with outstanding ability and select them to be 3rd class expert testers. This year, there have been 28 new expert testers that passed the selection process. The sensory quality analysis department has planned to continuously conduct training to increase tester's knowledge and potential.

### Quality Control and Assurance

#### 1. Accreditation of Testing Laboratories Capabilities by International Standard ISO/IEC 17025

The Company has an analytical system to control the quality and food safety of the incoming ingredients, packaging, production process, and all kinds of finished products delivered to consumers. The Company has set up a testing laboratory center according to ISO/IEC 17025 international standards at Bang Chan Factory, consisting of chemical and microbiological testing laboratories. It has also set up a sampling process system for analysis in the laboratory to ensure the quality and safety of products regularly. Furthermore, the laboratory has a management system for samples sent to be evaluated and reports test results via the PB LAB (Laboratory Information Management System; LIMs) system to ensure that analytical results are accurate and consistent.

#### 2. Alternative Microorganisms Analysis Technology (Alternative Rapid Methods)

Microbiological analytical laboratories have improved their capabilities and introduced Alternative Rapid Methods to inspect the quality of finished goods and ingredients to replace standard methods or conventional

methods, representing 49% of the total samples submitted for analysis, to increase the efficiency and potential of the laboratory. As a result, test results for bacteria, yeast, and fungi can be obtained within 24 - 48 hours, and preparation time and complex assay procedures in microbial agar preparation can be reduced by 50%, resulting in 37% less energy use, 39% less water use, 37% less greenhouse gas emissions, and 32% less laboratory waste (by weight and volume) compared to the total number of samples analyzed by the laboratory, including the international standard certification system ISO/IEC 17025.

#### 3. Air Sampling Tools for Microbiological Quality Inspection

Since 2021, the laboratory has studied and invested in 2 air microbial sampling equipment to be used to inspect contamination from microbial particles in the production process environment, especially in the production room with special air quality control (High care and High risk areas) such as product temperature control rooms, product packing rooms, finished goods production rooms, etc. Bacteria or mold particles are small, light, and float in the air for a long time which is a risk of contamination affecting the quality of the product. Therefore, the technology and innovation of the air sampler have been introduced with efficiency and accuracy in detecting up to 99% to replace the original method whose efficiency and accuracy is only 60%. This allows the laboratory to detect bacteria and mold present in the air with small particles and use the data to analyze and predict product quality more accurately, resulting in increased efficiency in product quality control and assurance, reduced waste, and reduced risk of product deterioration before expiration. The air sampler is an accurate and reliable air monitoring technology that is used in a variety of industries that require high quality control such as the pharmaceutical industry, the baby milk powder industry, the operating room in a hospital (clean room), etc.

### Budget for Research & Development and Quality Control during the Past 3 Years

2021	2022	2023
5.90 million baht	6.05 million baht	6.40 million baht

## Marketing Activities

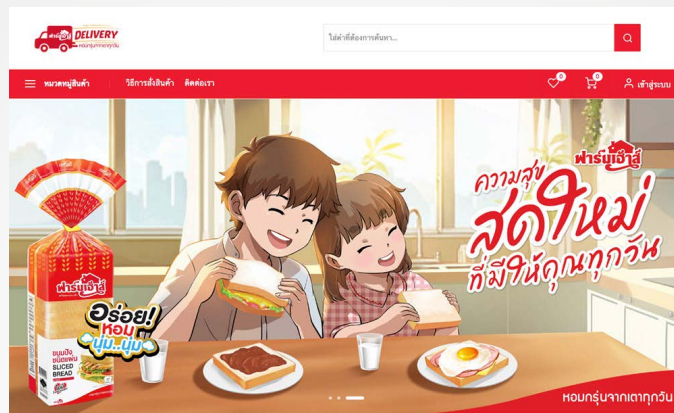
The Company realizes the importance of marketing activities. It not only promotes higher sales but also attracts new target group, broadens the consumer base, and continuously improves consumption over time. Most importantly, it contributes to the development of a brand image, product brand value, and consumer attitudes and loyalty toward the Company's brand.

In 2023, the Company has allocated a budget for marketing activities and effective communication with consumers by continuously releasing commercials by dividing the advertisements on television, online, and with various influencers, VTuber from Fumi Hausu brand

ambassador, and using presenters to promote products like Mile Phakphum and Apo Nattawin, the former Miss Universe Thailand 2020, Amanda Obdam, and No.1 female star of Channel 3, Bella-Ranee, to celebrate the grand 41st anniversary of the Farmhouse. This helps to promote the image and products of the Company to a variety of target groups.

Online Channel: the Company has conducted promotional activities, provided promotions, and expanded distribution channels continuously throughout the year. And has conducted various activities 360 degrees through several forms of activity in 2023, as follows

### Farmhouse Delivery



### The 27<sup>th</sup> Saha Group Fair at BITEC Bangna





### “Farmsuk with Farmhouse” Project, “Farmsuk” basketball court



### Farmhouse Royal x Mile Apo: The Wonderful Journey Event



### UP&RE SKILLS 2023 SANDWICH WORK SHOP Activity





### Farmhouse with the 5 For All Foundation



### Support Discovery Thailand Travel Fair 2023



### Support the 30<sup>th</sup> Jaturamitr Samakkee 2023





### Farmhouse SOOK CAMP : Kids D Together Activity



### Support Bikini Beach Race 2023



### Farmhouse participate for the first time in THAIFEX – Anuga Asia 2023





### Farmhouse School Tour 2023 Activity



### SIAM HALLOWEEN Activity



### Go Wet Event



### Thailand Game Show x Wonder Festival 2023 Event





### Farmhouse received Marketeer No.1 Brand Thailand 2023



### Farmhouse received sustainable company award, selected in ESG 100 for the 8<sup>th</sup> year consecutive



### Farmhouse received “Sustainable Stock” award, SET ESG Rating AA level, and CGR 5 stars level.



## Characteristics of Customers and Distribution Channels

The Company's concept and practices are: variety, reasonable price, and convenience for consumption. Therefore, the Company's customers cover consumers of all sexes, ages, and professions. In this regard, the Company has classified customer characteristics according to distribution channels as follows:

### 1. Wholesale

#### 1.1 Sales of products under the Company's trademarks

Sales of products under the Company's trademarks are the distribution of products to consumers via stores, with the store receiving a discount on the retail price from the Company by categorizing the types of stores into two sub-categories:

- **Traditional retail stores (Traditional Trade)**

or grocery stores with a total of 43,965 traditional retail stores as of 31 December 2023. Some of the products distributed will be those that the company produces specifically to differentiate itself from other distribution channels and to meet the needs and purchasing power of customers. This type of store will pay the company directly for the products as soon as they arrive.

- **Modern retail stores (Modern Trade)**

Have standard management and use modern technology with high investment, such as 7-Eleven, convenience stores in gas stations, and discount stores such as Lotus's and Big C, including various supermarkets. As of 31 December 2023, there are 25,508 stores.

- **Vending Machine**

To focus on the services and facilitating consumers, the Company has added new distribution channels by bringing bread vending machines to provide services in places such as office buildings, hospitals and factories.

- **Farmhouse Delivery**

where customers will order products via the LINE app @FarmhouseThai and website <https://shop.farmhouse.co.th>

- **Good Morning Farmhouse**

### 1.2 Product sales made in accordance with customers' orders

It is the manufacture of products in response to orders from fast-food restaurants and convenience stores such as McDonald's, KFC, Burger King, Chester's Grill, Pizza Hut, Sizzler, Mosburger, The Pizza Company, Dairy Queen, Santa Fe Steak, Texas Chicken, and Narai Pizzeria, etc. There are approximately 2,623 branches as of 31 December 2023, primarily purchasing bread products for hamburgers and bread for hot dogs.

## 2. Retail

Selling products through the Company's retail stores and direct sales to customers under the Company's trademarks which are:

Deliya  
Madame Marco

## 2. Competition Conditions

The Company's competitors are classified into two types:

- **Competitors who are producers with their own distribution channels.**

This group of competitors will manufacture and sell their products in a retail format via their own distribution channels. It is also sometimes sold in wholesale as well. Mostly, it is a type of modern commerce in the supermarket, hypermarket, modern convenience store, gas station shop, or modern bakery.

- **Competitors who are product manufacturers without having their own distribution channel.**

This group of competitors sells products in wholesale form to small general stores and modern stores, which may have a production base in Bangkok or other provinces.

In which both types have high turnover in and out of the business with the involvement of price competition. While the Company focuses on freshness, with the company being a leader in launching new product offerings to customers on a regular basis. As a result of its investment in modern production machinery, the company has a clear advantage over these 2 types of competitors, and every production process is automatically controlled by a computer. This reduces production costs while also ensuring that the products that leave the factory are of high quality and meet the same standards regardless of where they are sold. This includes technological investments in shipping and distribution, resulting in the ability to deliver fresh products on a daily basis and effectively managing product recovery so that the original product does not remain in place, indicating that consumers are satisfied with the product's freshness. Thus gives the Company a significant advantage in terms of product quality and service standards because they can cover almost all of the country.

### 3. Procurement of Products or Services

#### Production

The Company has 3 factories, 2 of which are located in Lat Krabang Industrial Estate and cover an area of 18 rai 3 ngan, while the third is located in Bang Chan Industrial Estate and covers an area of 12 rai 2 ngan, 57 square wa. All of the Company's products are manufactured in these 3 factories using the highest quality and most modern technology from countries such as Japan, the United States, Germany, Italy, and Switzerland, among others. As a result, the produced products are consistent with the same standard and ready for daily distribution to all regions throughout Thailand.

The Company recognizes the significance of providing high-quality products to customers. As a result, the Company is meticulous in every stage of production, from receiving ingredients to shipping finished goods from the factory. Furthermore, good and modern production technology has been used to produce the best products with consistent quality standards, which will be installed in all 3 factories. Modernization and production processes in terms of structural engineering and building design are also priorities for the Company to ensure maximum efficiency, ease of control, and adequate lighting and air circulation in the factory.

For the Production policy, aside from hamburger buns sold in fast-food restaurants and convenience stores, as well as "Madame Marco" cakes made to order, production is generally based on the salesperson's sales summary. Salespeople assess product demand on a daily basis using historical sales data statistics in the area for which they are responsible and send the production order to the factory via the computer system. Salespeople use mobile computers to record sales, returns, and tax invoices to stores as a guideline for daily production. The sales data from these mobile computers are collected as statistics and processed in a central location for use as production planning data.

In terms of ingredients, wheat flour and fat are considered to be the most important in the production of bread and other bakeries. To avoid the risk of ingredient shortages, the Company orders wheat flour from six vendors and fat from twelve vendors, including packaging with a high order value.





## Value and proportion of purchases of important ingredients and packaging in 2023-2022

Raw Materials/ Packaging	2023		2022	
	Thousand Baht	%	Thousand Baht	%
1. Wheat Flour	1,261,311.56	44.45	1,260,674.59	43.76
2. Fat	404,783.01	14.27	464,422.32	16.12
3. Sugar	182,398.60	6.43	164,369.75	5.71
4. Yeast	64,954.04	2.29	64,391.92	2.24
5. Agricultural and Meat Products	430,335.26	15.17	434,918.09	15.10
6. Other Raw Materials	214,596.23	7.56	211,748.06	7.35
7. Packaging	278,995.07	9.83	280,369.43	9.73
<b>Total</b>	<b>2,837,373.76</b>	<b>100.00</b>	<b>2,880,894.16</b>	<b>100.00</b>

The Company's proportion of purchasing ingredients and packaging from domestic ingredient sources and the Company's direct imports from abroad during the years 2023-2022 is as follows:

Raw Materials Source/ Packaging Source	2023		2022	
	Thousand Baht	%	Thousand Baht	%
1. Domestic	2,616,857.42	92.23	2,652,482.00	92.07
2. Abroad	220,516.34	7.77	228,412.15	7.93
<b>Total</b>	<b>2,837,373.76</b>	<b>100.00</b>	<b>2,880,894.16</b>	<b>100.00</b>

The ingredients and packaging that the Company imports directly from abroad include yeast, white sesame, cereals that are ingredients in bread, milk powder, quality additives, snack fillings, bread clip locks, bread bags, etc.

In today's world, relatively rapid changes in the environment, climate that does not correspond to the seasons, as well as emergencies caused by various environmental factors that can occur at any time, may cause the Company to be impacted by the procurement of ingredients and packaging, disrupting the operation for maximum purchasing efficiency. As a result, the Company has managed the overall risk management for ingredient procurement and the entire packaging system as follows:

- (1) In the purchase of both ingredients and packaging for the Company to be competitive in terms of quality, price, and service, the Company must have multiple vendors from which to purchase ingredients and packaging at the best prices.
- (2) Improvements in production processes and formulas in order to be able to manage costs more effectively.

- (3) Every new vendor must pass ingredients and packaging tests for chemical, physical, and taste characteristics, as well as undergo a preliminary factory evaluation before being listed on the AVL (Approved Venders List) to be able to trade.
- (4) Every time ingredients and packaging are delivered, the Company will perform an assessment in the quality of the supplier in all aspects, such as the quality of the product, service, quantity, and the correct price, as well as on-time delivery, etc., and the record the results of the assessment are recorded as scores, which the Company will perform an assessment twice a year.
- (5) The Quality Assurance Section of the Company collaborates with the Production Department, as well as the Sourcing and Purchasing Department, to conduct the supplier audit in accordance with the annual supplier audit plan that has been established.

- (6) The Company has entered into an advance contract with the supplier to control both price, quantity, and quality in purchasing for important ingredients and large quantity orders.

Based on the above-mentioned Company approach, the Company was able to manage risks related to ingredients and packaging to an acceptable level in 2023, with no impact that caused the Company to halt operations.

When the manufacturing process is completed, the products will be transported to the distribution center, which is a location for product transfer and a parking lot for product transportation. Each salesperson must count and receive products from the distribution center in order for them to be distributed to various stores. As of 31 December 2023, the Company had 50 distribution centers, with 12 in Bangkok and its surrounding areas and 38 in other provinces to allow for product distribution. Covering the entire country of Thailand, provincial distribution centers can be classified by region as follows:

Location	Province
Northern	Nakhon Sawan, Phitsanulok, Tak, Phrae, Chiang Mai, Chiang Rai, Phetchabun, Lampang
Eastern	Chonburi, Pattaya, Prachin Buri, Chanthaburi, Bangprakong
Northeast	Nakhon Ratchasima, Khon Kaen, Udon Thani, Sakon Nakhon, Surin, Roi Et, Ubon Ratchathani, Loei, Chaiyaphum
Central	Ayutthaya, Lopburi, Suphanburi, Saraburi
Southern	Chumphon, Suratthani, Koh Samui, Nakhon Si Thammarat, Krabi, Phuket, Hat Yai, Trang, Pattani
Western	Nakhon Pathom, Kanchanaburi, Hua Hin

## 4. Assets used in business operations

### 4.1 Main fixed assets used in business operations

Types/Descriptions	Types of Ownership	Net worth after depreciation (Million baht)	Encumbrance
1. Land	Owned by the Company	1,410.77	None
2. Buildings and structures	Owned by the Company	1,062.72	None
3. Machinery and equipment	Owned by the Company	539.48	None
4. Property during installation	Owned by the Company	47.13	None

#### 4.1.1 Factory Land

The land where the Company's factory is located in Lat Krabang Industrial Estate, with an area of 18 rai 3 ngan, and the land of the factory in Bang Chan Industrial Estate, amounting to 12 rai 2 ngan, 57 square wa, is owned by the company.

#### 4.1.2 Distribution Centers

As of 31 December 2023, the Company had purchased land in Saraburi, Surin, Lopburi and Kanchanaburi for the construction of four distribution centers. There are 50 distribution centers located throughout the country,

divided into 24 distribution centers owned by the Company in Songkhla, Chiang Mai, Phraya Suren Road, Rangsit-Nakhon Nayok, Prachachuen, Chonburi (Pattaya), Chonburi (Sriracha), King Kaew, Nakhon Pathom, Chumphon, Bang Bua Thong, Phitsanulok, Surat Thani, Chiang Rai, Hua Hin, Nakhon Sawan, Ayutthaya, Nakhon Ratchasima, Udon Thani and Thung Khru, Bangprakong, Khon Kaen, Nakon Si Thammarat and Phuket in the amount of 26 places. In terms of renting a distribution center, there are both building rentals and vacant land where the Company will build the building itself, as the following details:

Location	Place	Period*** (Year)	Monthly Rent (Baht)
Bangkok	4	2-6	35,000-181,000
Northern	4	3	15,000-26,000
Eastern	2	3	18,900-26,000
Western region	1	3	38,900
Northeast	6	2-3	10,000-38,000
Central	5	3	22,000-76,000
Southern	4	3	13,000-29,000

\*\*\* The duration of the lease agreement

#### 4.1.3 Deliya

Part of Deliya location are the usage of the shopping center entering into an agreement for a period of 1 year with costing space according to the proportion of the sales volume and some branches will be renting space in office buildings. Therefore, it is a place that has a target customer group. The lease term is 3 years and the rental rate is fixed throughout the lease term.

#### 4.1.4 Delivery vehicles

As of 31 December 2023, the Company has a total of 1,048 vehicles used in transportation of goods, which are owned by the Company



## 4.2 Concessions, Copyrights and Trademarks

### Company Trademark

The Company owns and registers trademarks with the Ministry of Commerce's Department of Intellectual Property by product type for the purpose of producing and selling various brand products. Each trademark registration is valid for ten years from the date of registration and can be renewed for another 10 years. As of 31 December 2023,

the trademarks the Company has registered are Farmhouse, Delidonut, Krua Jean, Madam Marco, Thanyarat, Thanyasuth, Farmhouse Kitchen, Big Bake, Hot Meal, Deliya, Fris R Fresh, Farmhouse Fresh and Good Morning Farmhouse.

## 5. Work that has not yet been delivered

- None -

## 1.3 Shareholding Structure of the Company's Group

### 1.3.1 Shareholding Structure of the Company's Group

Juristic person in which the Company holds shares of 10 percent or more

Company	Shareholding Percentage	Nature of Business	Registration Number	Registered Capital, Issued and Paid-up	Address
PB Flourmill Co., Ltd.	99.99%	Production of wheat flour	0105566214150	5,000,000 shares par 100 baht per share, paid-up capital 125 million baht	121/85 29 <sup>th</sup> Floor, RS Tower, Rachadapisek Road, Dindaeng, Bangkok 10400
President Green House Foods Co., Ltd.	39%	To Operate a Restaurant Business Namely "Shinjuku Tonkatsu Saboten"	0105551034347	1,500,000 shares par 10 baht per share, paid-up capital 15 million baht	121/84 29 <sup>th</sup> Floor, RS Tower, Rachadapisek Road, Dindaeng, Bangkok 10400 Tel 02-209-3000 Fax 02-209-3091
President Flour Mills Co., Ltd.	10%	Production and Distribution of Flour Group	0215554002321	6 million shares par 100 baht per share, paid-up capital 600 million bah	43/244, Moo 4, Huayprab-Pluakdaeng Road, Mabyangpon, Pluakdaeng, Rayong, 21140
King Bridge Tower Co., Ltd. (Formerly Known As "Saha Capital Tower Co., Ltd.")	10%	Other Real Estate activities on a fee or contract basis	0105562170158	50 million shares par 100 baht per share, paid-up capital 4,250 million baht	530 Soi Sathupradit 58, Bangpongpan, Yannawa, Bangkok, 10120

### Subsidiary

The Company has 1 Subsidiary company, which is PB Flourmill Company Limited, with a shareholding of 99.99 percent

### Joint Venture

The Company has 1 joint venture company, which is President Green House Foods Company Limited, with a shareholding of 39 percent.

## 1.3.2 Persons who may have conflicts

- None -

## 1.3.3 Relationship with the business group of major shareholders

The Company has disclosed information as detailed in the connected transaction, pages 128-130.

## 1.3.4 Shareholders

### List of the first 10 shareholders

Summary information from the closing date of the share register book as of 7 September 2023.

No.	Shareholders	No. of Shares Hold	Percentage
1	Thai President Foods Public Company Limited	233,961,616	51.99
2	Sahapattana Inter Holding Public Company Limited	98,053,400	21.79
3	Mr. Pipat Paniangvait	14,896,150	3.31
4	Miss Apiradee Thammanomai	9,569,640	2.13
5	Mr. Weerapat Punsak-Udomsin	7,134,770	1.59
6	Sahapattanapibul Public Company Limited	4,650,000	1.03
7	Thanulak Public Company Limited	3,500,000	0.78
7	Better Way (Thailand) Co., Ltd.	3,500,000	0.78
9	Mr. Apisate Thammanomai	3,344,810	0.74
10	I.C.C. International Public Company Limited	3,150,000	0.70
	<b>Total</b>	<b>381,760,386</b>	<b>84.84</b>

"Investors can view up-to-date shareholder information from the Company's website prior to the annual general meeting of shareholders."

### Group of major shareholders who, by circumstances, have a significant influence on the management policy or the Company's operations

- None -

**Shareholder's agreement on matters affecting the issuance and offering of securities or the management of the Company. The Company has also signed this agreement.**

- None -

## 1.4 Amount of registered capital and paid-up capital

### 1.4.1 Ordinary shares

As of 31 December 2023, the Company has a registered capital of 450,000,000 baht, paid-up 450,000,000 baht, divided into 450,000,000 ordinary shares, with a par value of 1 baht per share.

### 1.4.2 Other types of shares with different rights or conditions than ordinary shares

- None -

### 1.4.3 Shares or convertible securities of the Company as underlying securities in the issuance of investment units of mutual funds for foreign investors.

- None -

## 1.5 Issuance of other securities

### 1.5.1 Convertible Securities

- None -

### 1.5.2 Debt Securities

- None -

## 1.6 Dividend Payment Policy

The dividend policy of the Company is to pay no less than 50 percent of net profit after income tax and after deducting legal reserves. The dividend payment is subject to change and is determined by the Company's operating results, financial status, and investment plans.

Information on dividend payments for the past 5 years of the Company is as follows:

Year	2022	2021	2020	2019	2018
Earnings per share (Baht/Share)	3.79	3.75	3.73	3.78	3.18
Dividend per share (Baht/Share)	2.00	1.90	1.90	1.90	1.60
Rate of Dividend (%) from Net Profit	52.84	50.71	50.98	50.24	50.32



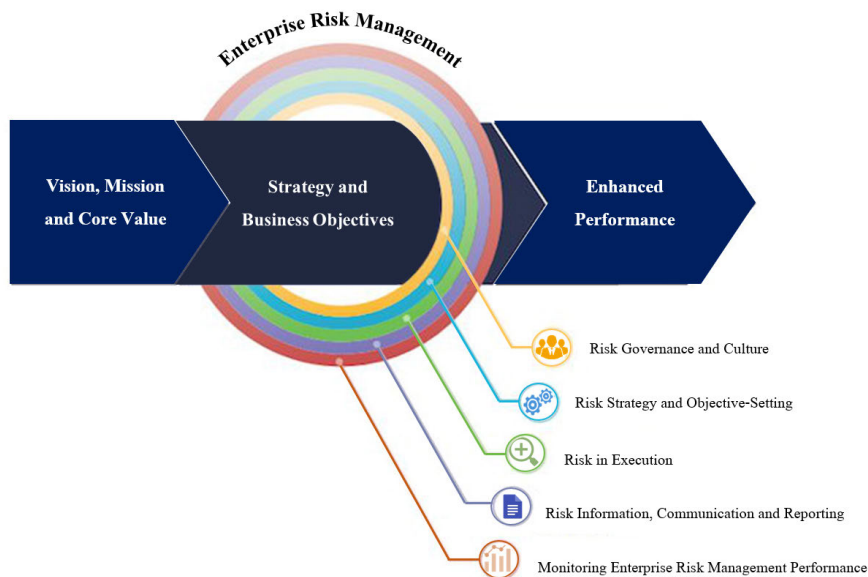
## Section 1 Business Operations and Performance

# 2. Risk Management

## 2.1 Policy and Risk Management Plan

The Company has adopted the COSO - ERM 2017 framework as an internal risk management framework by analyzing risks from the process-based approach, which can comprehensively identify the risks that mainly affect the organization. It focuses on linking the vision, mission,

and core values to the Company's strategy and business objectives. This allows the clear measurement of the desired operational results, including systematic monitoring and reporting of results. Using the risk management process as a tool to control enables the achievement of the set goals and business objectives. As a result, the Company's operations are more efficient. The relationship between 3 elements can show as follows:



Enterprise Risk Management-Integrating with Strategy and Performance

### 1. Vision, Mission, and Core Values

The Company's vision, mission, and core values have been established in order to guide the Company's operations which include the main conceptual framework for determining personnel behavior in the organization in order to achieve goals and objectives in the same direction.

### 2. Business Strategies and Objectives

The Company has established business strategies and objectives in accordance with its vision and mission. The Company uses risk management in business operations in order to help control risks that may affect its business strategy and objectives by applying the enterprise risk management framework according to the concept of COSO-ERM 2017, divided into 5 principles as follows:

## • Governance and Risk Management Culture

The Board of Directors has appointed the Corporate Governance and Risk Management Committee, which is comprised of directors and top executives of the Company with appropriate knowledge, abilities, and experience, to perform the duty of supervising the implementation of the risk management process effectively and efficiently in accordance with the established risk management framework, including taking into account the results of the risk assessment and risk monitoring throughout the year so that the Company can manage risks that may arise in various situations most efficiently. The Board of Directors has approved the Corporate Governance and Risk Management Committee Charter in order to appropriately determine the operating structure, roles and duties, and responsibilities of executives and employees at all levels. Its also creates a risk management culture for effective risk management of the organization. This is a part of the business operating process to be consistent throughout the Company. The corporate culture in risk management is as follows:

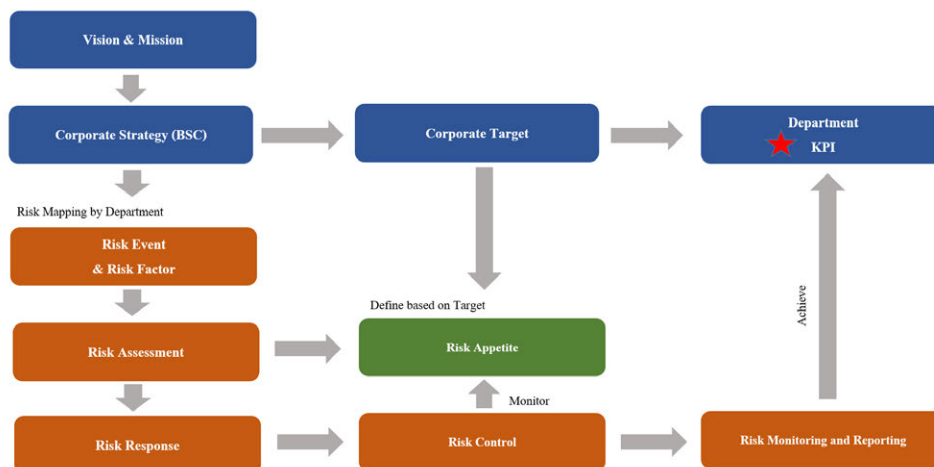
- Cultivate everyone in the Company to have risk awareness.
- Promote and develop the potential of employees. Don't stop just thinking but implementing immediately to see results (Make it happen).

- Cooperate as a team (Winning with team) to improve and find preventive solutions together.
- Create awareness of analytical thinking, planning, and making decisions based on information and evidence (Evidence and Fact-base).

## • Strategies and Objectives Determination

The Company has established risk management strategies and objectives in accordance with the organization's strategies and objectives by developing a risk management policy and manual, which are reviewed on a regular basis, in order to adhere to a systematic guideline to risk management throughout the organization.

The organizational vision, mission, and values are guides to determining the Company strategy, objectives, and business goals applied to set KPIs (Key Performance Indicators) for various departments. The risk management process uses as a tool to control each department's operation to achieve the following determined goals. Risk Identification is an indication of events that may have an impact on the Company's objectives. Risk Assessment is to assess the possible level of occurrence and impact for effective analysis of Risk Response Management measures for Risk Control are determined to ensure the acceptable risk level of Risk Appetite. And regular Risk Monitoring and Reporting ensure that different departments in the organization can achieve the goals by the set KPIs.



Strategy and Goal with the Risk Management

Types of risks that are prioritized by the Company.

### **1. Strategic Risk**

Risk relates to strategic planning, action plans, and the ineffective implementation of such plans.

### **2. Operational Risk**

Risk associates with the performance of each process or activity within the Company, including risk related to information management in information technology and information to achieve the specified goals.

### **3. Financial Risk**

Risk associates with financial management liquidity, credit, and investment management, as well as interest rate and exchange rate fluctuations.

### **4. Compliance Risk**

Risk relates to compliance with regulations and regulatory bodies as well as various legal risk related to the Company's business operations.

### **5. Reputation Risk**

Potential risk occurs from events that have a negative impact on the Company's reputation, public perception, and image.

## **• Operation**

The Company has appointed a risk coordinator to represent the risk management of each department. It organizes risk management training for coordinators in order to enhance knowledge and understanding of risk management so that they can expand the body of knowledge, communicate within their departments, and effectively implement risk management processes to analyze, identify risk factors, and assess risks within their departments as well as prepare a risk control plan to hedge the potential risks at an acceptable level.

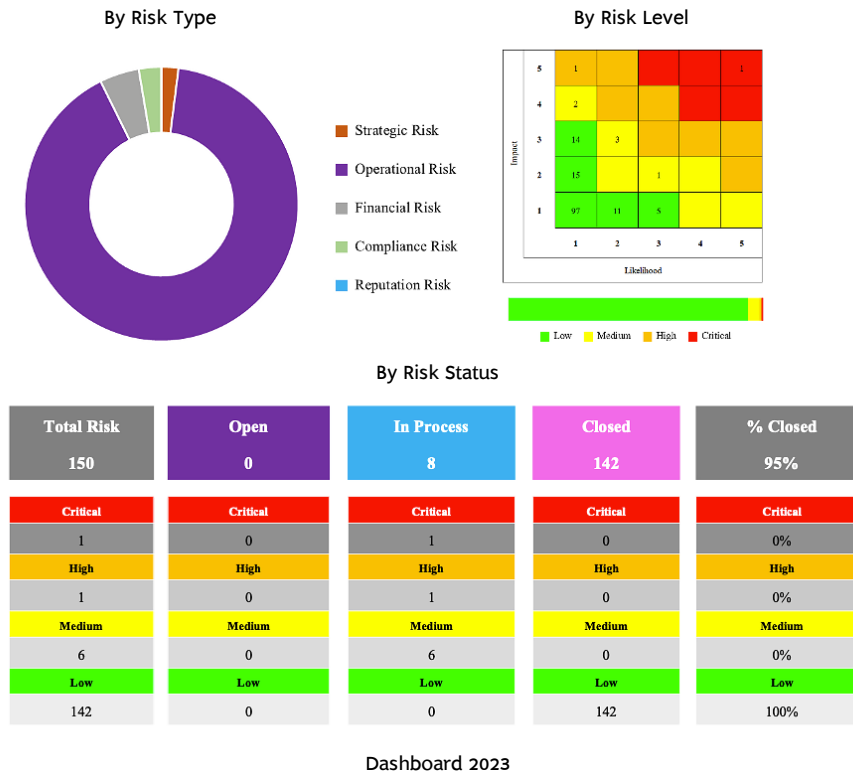
## **• Monitoring and Reporting on the Risk Management Results of Each Department**

Risks, which may affect operations as well as operational plans, are reviewed to ensure that they are consistent with the current situation in order to have an effective plan for reducing or resolving risks, be able to control potential risks to an acceptable level, and report on the department's risk management results via the risk level chart.

## **• Result Summary of Corporate Risk Management**

The Company has monitored and reported the results of enterprise risk management to the Corporate Governance and Risk Management Committee and the Board of Directors every quarter, allowing the Board of Directors to acknowledge and provide risk management recommendations. The risk management department reports and summarizes risk management data in a dashboard format to clearly show the level of risks that occur and changes in the organization, as well as having a risk review by the internal audit department to ensure that risk management operations are accurate, complete, and efficient.





### 3. Progressive Performance

Since the Company has continuously conducted risk management in accordance with the COSO-ERM 2017 framework, it allows the Company to identify events and significant risk factors that may affect its business goals and objectives, assess the adequacy of existing controls, and plan for effective risk control for the benefit of stakeholders and the Company's assets, including developing confidence, assurance, and sustainability for the Company which is in accordance with the good corporate governance code.

## 2.2 Risk Factors of The Company's Business Operations.

### Strategic Risk

#### 1. Risk of Relying on Customers

The Company sells products to the convenience store business and most of the hypermarkets to be one of the Company's distribution channels with sales to such

customers accounting for approximately 50% of total revenue in 2023. If the Company loses this customer, the revenue in that division will suffer.

### Risk Management

Since the Company's products are high quality and meet the standards that are widely accepted by consumers, this makes the Company's products a high-grossing storefront compared to other bread and bakery products. If considering the convenience stores and hypermarkets, it will be found that there is a large number of bread and bakery products that the Company produced on sale, which can be considered that both the Company and convenience store, hypermarkets receive benefits from both parties.

#### 2. Risks Related to The Appearance of Products, which are Mostly Fresh Products

Because the majority of the Company's bread and bakery products are fresh, with a shelf life of approximately 4-5 days from the date of production, the Company is at risk if fresh products are returned from stores in large quantities due to insufficient sales, negatively impacting the Company's performance.

## **Risk Management**

The Company prioritizes sales staff training, and a mobile computer system is used in the distribution system to distribute products to various stores, allowing the Company's sales staff to summarize sales and control the amount of product delivery as much as possible to meet the needs of stores and consumers. When new products are delivered, the Company will accept all unsold products from the store. However, the Company has set the goal for the sales staffs to accurately assess the number of sales and stipulates that there will be incomplete products that the Company must return for no more than 10 percent of the number of products delivered by determining the compensation of the sales staffs based on sales and product returns as an incentive for sales staffs. The Company developed a computer system that uses the pre-sale system to more accurately forecast the needs of customers, resulting in a decrease in the number of products returned from the store when compared to before the pre-sale system was introduced, making such a system more efficient.

### **3. Risk from having A Group of Major Shareholders**

The Company has a group of major shareholders, one of which is Thai President Foods Public Company Limited (TFMAMA), which owns 51.99 percent of the Company's shares (as of the book closing date on 7 September 2023). Saha Pathana Inter Holding Public Company Limited (SPI) is an indirect major shareholder through which the above major shareholders can control almost all of the resolutions of the shareholders' meeting, whether it is a matter of appointing directors or requesting resolutions on other matters requiring a majority of the shareholders' meeting. Other shareholders may be unable to collect votes to check and balance matters proposed by the major shareholders, unless required by law or the Company's articles of association, which require three fourths of the votes at the shareholders' meeting.

## **Risk Management**

The Company appoints the Board of Directors comprising independent directors one thirds of the proportion of the Board of Directors according to principles of conduct that The Office of the Securities and Exchange Commission determined in order to balance management. Independent director must be a neutral, fully qualified, independent person and has the duty to care for the Company's interest as a whole by independently giving opinions about the Company's operations in order for shareholders and stakeholders to receive benefits equally.

## **Operational Risk**

### **1. Risk from Limited Sources of Ingredients**

Because the Company's operating philosophy is to use the best ingredients to get the best quality products, the source of purchase of some ingredients must also be a single seller because the formula has been developed jointly between the Company and that seller in order to obtain specific characteristics according to the Company's needs. As a result, the Company may be at risk from a shortage of ingredients or a lack of price bargaining power.

## **Risk Management**

The Company has assigned the sourcing and purchasing department the task of finding additional sources of ingredients from existing ones. An important criterion for consideration is the new ones must have the quality of ingredients that can be substituted in order to provide flexibility in production and better management of ingredient costs.

Because the Company's products have a life span of about 4-5 days, ingredients in production have a rapid turnover and vary according to the market and consumer demands, which are always adjusted up and down. Therefore, the Company has to purchase ingredients and packaging accurately, completely, and timely for production use. It also has to manage the proportion of orders with each manufacturer and/or supplier equally.

However, with good internal management together with long-term relationships with all of its ingredient suppliers, the Company has never encountered such

problems in the past 41 years, as each supplier is stable and has a reputation for being widely accepted. As a result, the Company has carefully examined the information and clear policies of all suppliers in order to avoid problems that may arise as a result of policy uncertainties on the part of manufacturers and suppliers.

The Company has prepared to prevent the problem of ingredient shortages with proper ingredient procurement planning, acquiring ingredient reserves from both domestic and international sources together with making an advance reservation of the number of ingredients to be used in production. In the event of an emergency, such as a protest or natural disaster, the Company has already prepared an emergency plan to assist with the ingredient purchase.

## Financial Risk

### 1. Risk from Ingredient Price Fluctuation

The main ingredients used in bakery production are wheat flour, fat, and eggs, as well as other ingredients whose prices vary depending on the season's demand, the quantity that can be supplied, and the various qualities that may affect the ability to control the cost of ingredients.

**Main Raw Materials affected are as follows:**

#### 1.1 Wheat Flour

Wheat prices in the global market, including transportation costs, in 2023 have a moving range of \$350-450 per ton, even though it is lower than 2022, due to the exchange rate volatility, reducing number of crops from dry climate, el niño phenomenon, and the war effects of Russia- Ukraine which are the world's top wheat exporters for the second-year consecutive. As a result, the Company is exposed to the risk of buying wheat flour at a high price.

#### Risk Management

At present, the Company has 6 local wheat flour sellers and has begun to purchase wheat flour from abroad that meets the quality standards, is cheap to use, and has a large purchase volume. As a result, the Company has the power to negotiate prices with sellers to keep the prices at an appropriate level.

#### 1.2 Fat Group

Including Margarine, Shortening, and Butter: The main ingredient used in production is palm oil. In 2023, the price of crude palm oil in the world market and Thailand is volatile. Even though the price is not as high as in 2022, droughts from el niño phenomenon reduce product numbers.

#### Risk Management

Currently, the Company has 6 sellers of margarine, shortening, and butter. It is continuously seeking additional vendors in order to have a sufficient quantity for use and increase its bargaining power with suppliers.

#### 1.3 Chicken Egg

In 2023, chicken egg price has risen to the highest in many years due to rising animal feed price, dry climate, and rising management costs e.g. electricity, and delivery. As a result, the Company is exposed to the risk of buying chicken eggs at an increasing higher price.

#### Risk Management

Currently, the Company purchases eggs from SME supplier groups in order to support SMEs and prevent the risks associated with purchasing from large sellers who own their own chicken farms. As a result, there is enough quantity for use, and egg quality can be controlled from the start, including an increase in bargaining power with the supplier.

#### 1.4 Sugar

In 2023, the sugar price in the world market has risen to the highest in 11 years due to main factors such as dry climate, lack of rain, making the number of sugarcanes which is the main raw material in sugar production reduced while consumption demand increases, together with energy crisis that needs to process more sugarcanes to be ethanol as renewable energy. These incidents make the price of sugar in Thailand steadily rises following the world market from the end of 2023 continuously to 2024. As a result, the Company is exposed to the risk of buying sugar at a higher price.

#### Risk Management

The Company has 6 sellers of sugar from 6 provinces in Thailand. As a result, the Company has the bargaining power with suppliers to get suitable price and sufficient quantity.



## Compliance Risk

### 1. Risk from Food Law Adjustment

The Food and Drug Administration has adjusted new Ministry of Public Health announcements e.g. Ministry of Public Health announcement regarding food that must have label, regulations of showing food labels in packages that must show nutrition label, energy, sugar, fat, and sodium in GDA format, showing nutrition symbol on food label, determination of criteria, conditions, using methods, and ratios of food additives, etc. If the Company does not comply with the changing regulations, it will have potential impacts on business operations and reputations of the organization.

#### Risk Management

The Company has regularly followed the changing laws, rules, and regulations regarding government policies or new requirements and has assessed risks related to partner country's food law requirements and customer requirements in order to operate in accordance with requirements and regulations accurately and appropriately, and timely cope with changes.

## Reputation Risk

### 1. Risk from Online Channels or Social Media

In the present, communication through online channels or social media is the main channel for consumers and stakeholders. This leads to faster information receiving in order to meet the needs. However, negative, or distorted news also can fastly spread which may affect the reputation of the Company.

#### Risk Management

The Company is committed to produce quality products accurately in accordance with the standards, consumers' needs and safety. There is monitoring and controlling of the raw material procurement process and various production processes in terms of product quality, duration used, product safety, and nutritional value, as well

as delivering products and coordinating with customers in accordance with the established policy and operational plan. In addition, there is a customer relations agency as the center for receiving opinions and giving advice regarding products and services. There is also a good relationship with customers, enhancing the participation of customers in giving opinions or suggestions to increase the level of trust and satisfaction from customers.

## Emerging Risks

### 1. Risk from Carbon Tax Law

In the present, many countries have started to collect carbon tax to be one of the measures to reduce carbon dioxide emission of business sector. Thailand is currently in the state of studying guidelines for tax structure adjustment. If the Company releases carbon dioxide which causes greenhouse gas into the atmosphere more than the government sector specified without management measures, it may affect the reputation of the organization and the Company may have to pay carbon tax which will impact additional management cost.

#### Risk Management

The Company has determined strategies to manage climate change and set the goal to reduce greenhouse gas emission 1.5% per year and 20% within 2037 (from the base year 2022) in order to respond in accordance with national energy plan and mitigate impacts from climate change with projects such as Solar Rooftop Bang Chan Factory project, project to cancel x-lift in the back of transport vehicles to reduce the weight of the vehicle which can save fuel more, project to install GPS in transport vehicles to increase fuel oil efficiency, project to improve machine efficiency to reduce energy use, and waste management project, etc.

## Section 1 Business Operations and Performance

# 3. Driving Business for Sustainability

## 3.1 Corporate Sustainability Development Policy

President Bakery Public Company Limited has set a policy to be a management framework for sustainable development. The Company places importance on economic growth, good corporate governance, effective risk management, along with responsible operations to society and environment in every business process of the organization (ESG in Process) for the organization to be able to conduct business stably among the changes in the present. The Company places importance on 4 dimensions as follows:





### 1. Economic Dimension:

Aims to create economic growth, develop continuous and stable competitiveness in order to deliver value to stakeholders sustainably.



### 2. Environmental Dimension:

Aims to manage valuable resource consumption, manage fuel, electricity, water, garbage, waste, and reduce greenhouse gas emissions effectively. The guidelines for practice are specified in “Environmental Management Policy”.



### 3. Social Dimension:

Aims to manage human resources fairly and equitably, manage occupational hygiene and safety of employees, including having a good relationship with and improving quality of life of surrounding communities. The guidelines for practice are specified in “Social Management Policy”.



### 4. Governance Dimension:

Aims to conduct business responsibly, transparently, fairly, and in accordance with good corporate governance, have an internal control system together with effective risk management guideline, including anti-corruption. The guidelines for practice are specified in “Good Corporate Governance Management Policy, Risk Management Policy, and Anti-Corruption Policy”.

## 3.1.1 Sustainability Management in Economic and Governance

The Company aims to create economic growth, develop continuous and stable competitiveness in order to deliver values to stakeholders sustainably, conduct business responsibly, transparently, fairly, and in accordance with good corporate governance, have an internal control system together with effective risk management guideline, including anti-corruption. The company has disclosed related policies and economic operations and corporate governance in the 2023 Sustainability Development Report, topic 4.1 Sustainability management in economics and corporate governance.

## 3.1.2 Social Sustainability Management

The Company is committed to conducting business responsibly and considering human rights principles, protecting labor rights, safety, and sanitation, as well as creating a good working environment, along with knowledge management and development, continuously increasing personnel's skills and abilities together with focusing on taking care of the community and society in order to create value and improve the quality of life of the community and society for sustainable growth. The Company has disclosed the social management and social operations policy in the Sustainability Development Report 2023 under Section 4.2 Sustainability Management in Society.



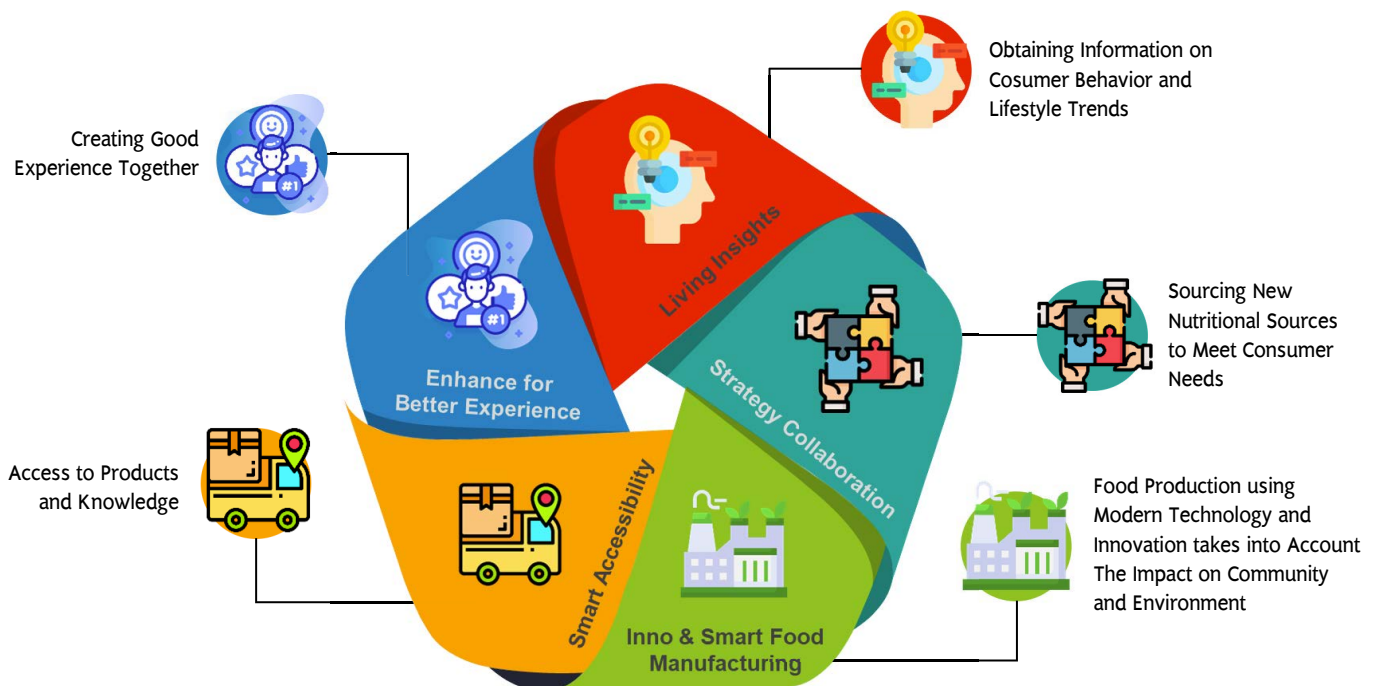
### 3.1.3 Environmental Sustainability Management

The Company is aware of the work environment and the environment that affects employees and surrounding communities according to management principles corporate environment through the work to improve the system development and focus on management that takes into account the environment and social responsibility continuously. including managing the use of resources in a worthwhile manner. Manage fuel energy, electrical energy, and water management. Wastewater management Waste management. This effectively reduces the impacts caused by the production process. The company has disclosed its environmental management policy and environmental operations In the 2023 Sustainability Development Report, topic 4.3 Environmental Sustainability Management.

## 3.2 Managing Impacts on Stakeholders in the Business Value Chain

### 3.2.1 Business Value Chain

The Company attaches great importance to management throughout the value chain of the business from upstream to downstream to create value for products and services, and to meet the expectations of stakeholders from acquiring consumer's behavior and lifestyle trend data for research and development of products, finding new nutrition sources to meet customer's demand, food production with modern technology and innovation with consideration to the impacts on the community and the environment, as well as standardized and fast access to products and knowledges in order to create joint good experience. The company has disclosed details of the business value chain in the 2023 Sustainability Development Report, section 3.2 Business Value Chain.



### 3.2.2 Stakeholder Analysis

The company has analyzed important stakeholder groups both inside and outside the organization. which is related to the business value chain and giving importance to participation, providing opportunities for communication to listen to opinions, suggestions, and reflect needs and expectations of stakeholders in the Company's business operations. The Company has disclosed the analysis of the main stakeholders in the business value chain in the 2023 Sustainability Development Report, section 3.3 Stakeholders.



## Section 1 Business Operations and Performance

# 4. Management Discussion and Analysis (MD&A)

## 4.1 Important Financial Information

### 1. Overview of Business Performance

The year 2023 is still in the midst of economic crisis around the world, which affect the prices of various products, and the increase in energy. This makes consumers shop more cautiously, and it makes the Company realize the importance of adjusting and developing business strategies to accommodate the changes that occur today. The Company adds online selling channel, manages to

keep the price of raw materials at suitable level, and increase efficiency and reduce cost in other business operations. As a result, in 2023, the Company's sales revenue increased from 2022 by 11.58 million baht, or 0.15%. The cost of sales decreased from 2022 by 15.82 million baht, representing 0.39%. The cost of sales decrease was caused by a decrease in the price of the primary raw materials used in manufacturing.

### 2. Performance

(Unit : Million Baht)

	2023		2022		Increase (Decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Sales Revenue	7,540.44	99.25	7,528.86	99.44	11.58	0.15
Total Revenue	7,597.68	100	7,570.97	100	26.71	0.35
Sales Capital	4,033.11	53.49	4,048.93	53.78	(15.82)	(0.39)
Gross profit	3,507.33	46.51	3,479.93	46.22	27.40	0.79
Selling and Managing Expenses	1,698.30	22.35	1,635.25	21.60	63.05	3.86
Profit for the Year	1,707.77	22.48	1,706.97	22.55	0.80	0.05
Earnings per Share (Baht)	3.80		3.79		0.01	0.26

**Remark :** The ratio in the income statement is shown as a percentage of total revenue except cost of sales and gross profit expressed as a percentage of sales revenue.



## Sales Revenue

The company had sales revenue in 2023 and 2022 of 7,540.44 million baht and 7,528.86 million baht respectively, increased 11.58 million baht or 0.15% from the previous year. Sales can be analyzed by type of distribution channel as follows:

(Unit : Million Baht)

Distribution Channels	2023		2022		Increase (Decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Wholesale bakery business	6,740.78	88.72	6,810.46	89.95	(69.68)	(1.02)
Retail bakery business	131.42	1.73	117.51	1.55	13.91	11.84
Fast Food & Catering Business	629.59	8.29	551.89	7.29	77.70	14.08
Overseas Sales (through domestic traders)	38.66	0.51	49.00	0.65	(10.34)	(21.10)

## Other Income

The company has other income in 2023 and 2022 amounting to 57.24 million baht and 42.11 million baht, respectively, an increase of 15.13 million baht from the previous year or 35.93%.

## Cost of Sales

Cost of Sales in 2023 is 4,033.11 million baht, a decrease of 0.39% from the previous year and has the proportion of sales revenues at 53.49%, a decrease from the previous year which is at 53.78% due to the decreasing main raw materials price from the previous year, as a result, gross profit rate is at 46.51%, an increase from the previous year which is at 46.22%.

## Selling and Administrative Expenses

Sales and administrative expenses for the year 2023 amounted to 1,698.30 million baht, representing 22.35 percent of total revenue, an increase of 3.86 percent compared to 2022. This was mainly due to depreciation of 97 newly purchased transportation vehicles replacing the old ones, advertising cost, sales promotion cost, and employees-related expenses following salary and wage increase.

## Profit for the Year

The company has a net profit of 1,707.77 million baht, an increase of 0.05 percent over the previous year, and a net profit margin of 22.48 percent of total revenues, with a share of profit from joint venture investments in 2023 of 6.71 million baht.

### 3. Financial Position

(Unit : Million Baht)

	December 31, 2023		December 31, 2022		Increase (Decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Total Assets	12,916.41	100	12,200.98	100	715.43	5.86
Total Liabilities	1,174.73	9.09	1,267.00	10.38	(92.27)	(7.28)
Shareholder's Equity	11,741.68	90.91	10,933.98	89.62	807.70	7.39
Total Liabilities and Shareholders' Equity	12,916.41	100	12,200.98	100	715.43	5.86

#### Total Assets

As of December 31, 2023, the company had total assets worth 12,916.41 million baht, an increase of 715.43 million baht from December 31, 2022, consisting of current assets making up 55.76% of total assets and non-current assets making up 44.24% of total assets. Most of the changes came from other current assets, land purchasing for distribution center, and new transport vehicles.

Trade and other receivables amounted to 1,030.03 million baht, representing 7.97 percent of total assets, an increase of 2.66% from increasing credit sales and an average collection period of 48 days.

#### Total Liabilities

As of December 31, 2023, the Company had total liabilities of 1,174.73 million baht, representing 9.09 percent of its liabilities and shareholders' equity, a decrease of 7.28 percent from December 31, 2022. The main reason is due to the decreasing price of main raw materials from the previous year with an average repayment period of 72 days, and a total debt-to-equity ratio of 0.10 times.

#### Shareholder's Equity

As of December 31, 2023, the Company had shareholders' equity of 11,741.68 million baht, representing 90.91 percent of liabilities and shareholders' equity, an increase from December 31, 2022, in the amount of 807.70 million baht. Resulting in a book value of 26.09 baht per share, an increase from the book value in December 31, 2022, which was 24.30 baht per share.

#### 4. Liquidity and Suitability of the Capital Structure

##### Liquidity

(Unit : Million Baht)

Cash Flow	2023	2022
Net Cash from Operating Activities	1,863.89	1,972.33
Net cash used in investing activities	1,028.86	837.07
Net cash used in financing activities	914.82	876.08
Net Increase in Cash and Cash Equivalents	(79.79)	259.18
Cash and cash equivalents at the beginning of the year	648.95	389.77
Cash and cash equivalents at the end of the year	569.16	648.95

As of December 31, 2023, the Company had cash and cash equivalents of 569.15 million baht, a decrease of 79.79 million baht from the previous year, with the following cash flows:

Net cash flow from operating activities amounted to 1,863.89 million baht, mainly due to operating profit.

Net cash used in investing activities amounted to 1,028.86 million baht, mainly due to investment in other financial assets, purchasing 4 pieces of land for distribution center construction, 97 transport vehicles, and leaving a deposit for equipment cost for production.

Net cash used in financing activities amounted to 914.82 million baht, mainly due to the dividend payment of 900 million baht.

The Company has a liquidity ratio of 6.78 times for a sales period of 1 day, an average debt collection period of 48 days, and an average payment period of 72 days, resulting in the company's cash cycle being 23 days.

##### Suitability of the Capital Structure

As of December 31, 2023, the Company had a total debt to equity ratio of 0.10 times, which is always low, with an interest coverage ratio of 1,417.33 times, indicating stable financial stability and an appropriate capital structure.



## 5. ESG Operations

### Farmhouse improves fuel efficiency in the transport sector.

The Company has controlled the use of fuel in the transportation sector at its maximum efficiency, which will help reduce oil use by installing GPS system to control driving speed, increasing the capacity of long-distance transport vehicles in order to reduce the number of transportation trips causing fuel consumption to meet the specified target. As a result, the Company has been able to reduce fuel consumption continuously, including greenhouse gas emission and PM 2.5 that have impacts on the environment.

### Solar Power Generation System Project (Solar Rooftop)

The Company is committed to reducing its dependence on traditional energy sources and minimizing its environmental impact. As part of this commitment, the Company has implemented a project to install solar energy systems (solar cells) with the aim of reducing electricity usage from the Electricity Authority and decreasing the carbon footprint. The Company plans to install solar panels on the rooftop area of Bang Chan Factory. The Company has a plan to finish solar panels installation within 2024, which will reduce electricity cost in production.

## 4.2 Factors or events that may significantly affect the financial position or operations in the future

The uncertain current global situation, both from external factors such as economic, politics, and geopolitical conflicts, and internal factors such as government policies, has potential impacts on the Company's costs and expenses. For external factors, geopolitical conflicts may affect the price of fuel oil, transportation cost, and the price of main raw materials such as wheat flour and others, and packaging. The Company is always aware of this, therefore, has planned to manage raw materials ordering and packaging to be sufficient for production and at suitable price, and manage oil consumption effectively. For internal factors, the government policy to raise minimum wage has a potential impact on production cost in the future.

## 4.3 Key Financial Information

### 4.3.1 Consolidated Statement of Financial Position

(Unit : Million Baht)

Consolidated Statement Financial	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	569.15	4.41	648.94	5.32	389.77	3.47
Trade and other receivables	1,030.03	7.97	1,003.36	8.22	871.30	7.76
Inventories	207.60	1.61	208.90	1.71	189.66	1.69
Other current financial assets	5,375.87	41.62	4,719.33	38.68	4,216.19	37.53
Other current assets	19.05	0.15	16.57	0.14	11.37	0.10
Total current assets	7,201.70	55.76	6,597.10	54.07	5,678.29	50.54
<b>Non-current assets</b>						
Investment in joint venture	35.64	0.28	34.79	0.29	31.35	0.28
Other non-current financial assets	2,160.52	16.73	2,186.54	17.92	2,069.78	18.42
Property, plant and equipment	3,410.45	26.40	3,334.26	27.33	3,425.88	30.50
Right-of-use assets	20.93	0.16	28.54	0.23	8.99	0.08
Advance payments for purchase of assets	70.46	0.55	3.41	0.03	4.97	0.04
Intangible assets	9.92	0.08	11.57	0.09	11.51	0.10
Other non-current assets	6.77	0.05	4.77	0.04	3.43	0.03
Total non-current assets	5,714.71	44.24	5,603.88	45.93	5,555.91	49.46
<b>Total assets</b>	<b>12,916.41</b>	<b>100.00</b>	<b>12,200.98</b>	<b>100.00</b>	<b>11,234.20</b>	<b>100.00</b>

**Consolidated Statement of Financial Position (Continued)****(Unit : Million Baht)**

<b>Consolidated Statement Financial</b>	<b>2023</b>		<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade and other payables	696.94	5.94	782.50	6.41	638.54	5.68
Current portion of lease liabilities	12.43	0.10	12.45	0.10	5.75	0.05
Corporate income tax payable	148.73	1.15	139.25	1.14	123.91	1.10
Accrued expenses	199.42	1.54	199.00	1.63	207.31	1.85
Other current liabilities	3.97	0.03	11.13	0.09	3.08	0.03
<b>Total current liabilities</b>	<b>1,061.49</b>	<b>8.21</b>	<b>1,144.33</b>	<b>9.37</b>	<b>978.59</b>	<b>8.70</b>
<b>Non-current liabilities</b>						
Lease liabilities, net of current portion	8.39	0.06	15.56	0.13	3.50	0.03
Deferred tax liabilities	8.80	0.07	4.97	0.04	19.18	0.17
Provision for long-term employee benefits	91.44	0.71	97.74	0.80	88.47	0.79
Other non-current liabilities	4.62	0.05	4.40	0.05	3.99	0.05
<b>Total non-current liabilities</b>	<b>113.25</b>	<b>0.88</b>	<b>122.67</b>	<b>1.01</b>	<b>115.14</b>	<b>1.02</b>
<b>Total liabilities</b>	<b>1,174.73</b>	<b>9.09</b>	<b>1,267.00</b>	<b>10.38</b>	<b>1,093.73</b>	<b>9.74</b>
<b>Shareholders' equity</b>						
Registered, Issued and fully paid-up 450,000,000 ordinary shares of Baht 1 each	450.00	3.48	450.00	3.69	450.00	4.01
Share premium	674.38	5.22	674.38	5.53	674.38	6.00
Retained earnings						
Appropriated-statutory reserve	45.00	0.35	45.00	0.37	45.00	0.40
Unappropriated	10,487.69	81.20	9,686.30	79.39	8,851.57	78.79
Other components of shareholders' equity	84.61	0.66	78.30	0.64	119.52	1.06
<b>Equity attributable to owners of the Company</b>	<b>11,741.68</b>	<b>90.91</b>	<b>10,933.98</b>	<b>89.62</b>	<b>10,140.47</b>	<b>90.26</b>
Non-controlling interests of the subsidiary	0.0002	-	-	-	-	-
<b>Total shareholders' equity</b>	<b>11,741.68</b>	<b>90.91</b>	<b>10,933.98</b>	<b>89.62</b>	<b>10,140.47</b>	<b>90.26</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,916.41</b>	<b>100.00</b>	<b>12,200.98</b>	<b>100.00</b>	<b>11,234.20</b>	<b>100.00</b>
<b>Book Value (Baht per Share)</b>	<b>26.09</b>		<b>24.30</b>		<b>22.53</b>	



### 4.3.2 Consolidated Statements of Comprehensive Income

(Unit : Million Baht)

Consolidated Statements of Comprehensive	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
<b>Profit or loss:</b>						
<b>Revenues</b>						
Sales	7,540.44	99.25	7,528.86	99.44	7,159.94	99.34
Other income	57.24	0.75	42.11	0.56	47.67	0.66
<b>Total revenues</b>	<b>7,597.68</b>	<b>100.00</b>	<b>7,570.97</b>	<b>100.00</b>	<b>7,207.61</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of sales	4,033.11	53.08	4,048.93	53.48	3,773.53	52.35
Selling and distribution expenses	1,441.81	18.98	1,368.59	18.08	1,335.45	18.53
Administrative expenses	256.49	3.38	266.66	3.52	245.53	3.41
<b>Total expenses</b>	<b>5,731.41</b>	<b>75.44</b>	<b>5,684.18</b>	<b>75.08</b>	<b>5,354.51</b>	<b>74.29</b>
<b>Operating profit</b>	<b>1,866.27</b>	<b>24.56</b>	<b>1,886.79</b>	<b>24.92</b>	<b>1,853.10</b>	<b>25.71</b>
Share of profit from investment in joint venture	6.71	0.09	6.78	0.09	3.25	0.05
Finance income	105.61	1.39	55.78	0.74	45.91	0.64
Finance cost	(1.40)	(0.02)	(0.89)	(0.01)	(0.68)	(0.01)
<b>Profit before income tax expenses</b>	<b>1,977.19</b>	<b>26.02</b>	<b>1,948.46</b>	<b>25.74</b>	<b>1,901.58</b>	<b>26.38</b>
Income tax expenses	(269.42)	(3.55)	(241.49)	(3.19)	(213.91)	(2.97)
<b>Profit for the year</b>	<b>1,707.77</b>	<b>22.48</b>	<b>1,706.97</b>	<b>22.55</b>	<b>1,687.67</b>	<b>23.42</b>
<b>Earnings per share</b>						
Basic earnings per share						
Profit attributable to equity holders of the Company	3.80		3.79		3.75	

**Consolidated Statements of Comprehensive Income (Continued)****(Unit : Million Baht)**

<b>Consolidated Statements of Comprehensive</b>	<b>2023</b>		<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Other comprehensive income:</b>						
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Loss on changes in value of debt investment designated at fair value through other comprehensive income-net of income tax	(4.42)		(10.38)		(5.78)	
Other comprehensive income to be reclassified to profit or loss in subsequent periods-net of income tax	(4.42)		(10.38)		(5.78)	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Gain (loss) on change in value of equity investment designated at fair value through other comprehensive income-net of income tax	4.35		(25.51)		9.72	
Actuarial loss-net of income tax	-		(13.45)		-	
Share of actuarial loss of joint venture-net of income tax	-		(0.12)		-	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods-net of income tax	4.35		(39.08)		9.72	
Other comprehensive income for the year-net of income tax	(0.07)		(49.46)		3.94	
<b>Total comprehensive income for the year</b>	<b>1,707.70</b>	<b>22.48</b>	<b>1,657.51</b>	<b>21.89</b>	<b>1,691.61</b>	<b>23.47</b>
<b>Profit attributable to:</b>						
Equity holders of the Company	1,707.77		1,706.97		1,687.67	
Non-controlling interests of the subsidiary	-		-		-	
	1,707.77		1,706.97		1,687.67	
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	1,707.70		1,657.51		1,691.61	
Non-controlling interests of the subsidiary	-		-		-	
	1,707.70		1,657.51		1,691.61	

### 4.3.3 Consolidated Statements of Cash Flows

(Unit : Million Baht)

Consolidated Statements of Cash Flows	2023	2022	2021
<b>Cash flows from operating activities</b>			
Profit before tax	1,977.19	1,948.46	1,901.59
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	375.43	378.98	425.42
Gain on disposals of property, plant and equipment	(4.67)	(1.15)	(0.67)
Share of profit from investment in joint venture	(6.71)	(6.78)	(3.25)
Loss (gain) on sales of other current financial assets	0.22	(0.06)	(0.22)
Loss on sales of other non-current financial assets	14.37	10.66	(31.70)
Gain (loss) from sales of equity instruments not recognised in profit or loss	(7.98)	6.67	30.09
Unrealised gain on exchange	(0.42)	(0.32)	(0.14)
(Gain) loss from fair value measurement of financial assets	(9.05)	9.24	(0.04)
Provision for long-term employee benefits	8.81	4.60	8.09
Dividend income from listed equity investments	(14.32)	(10.39)	(8.61)
Dividend income from non-listed equity investment	(7.65)	(5.85)	(7.35)
Finance income	(105.61)	(55.78)	(45.91)
Finance cost	1.40	0.89	0.67
Profit from operating activities before changes in operating assets and liabilities	2,221.01	2,279.17	2,267.97
Decrease (increase) in operating assets			
Trade and other receivables	(24.78)	(117.33)	(117.72)
Inventories	1.30	(19.24)	(21.34)
Other current assets	(2.47)	(5.19)	2.39
Other non-current assets	(2.01)	(1.33)	0.63
Increase (decrease) in operating liabilities			
Trade and other payables	(58.30)	83.91	65.27
Other current liabilities	0.12	(7.89)	(17.39)
Other non-current liabilities	0.21	0.41	0.16
Provision for long-term employee benefits	(15.10)	(11.20)	(15.72)
<b>Cash from operating activities</b>	<b>2,119.98</b>	<b>2,201.31</b>	<b>2,164.25</b>
Cash paid for income tax	(256.09)	(228.98)	(204.71)
<b>Net cash from operating activities</b>	<b>1,863.89</b>	<b>1,972.33</b>	<b>1,959.54</b>



## Consolidated Statements of Cash Flows (Continued)

(Unit : Million Baht)

Consolidated Statements of Cash Flows	2023	2022	2021
<b>Cash flows from investing activities</b>			
Cash paid for other current financial assets	(6,589.72)	(6,627.73)	(6,363.36)
Cash paid for other non-current financial assets	(1,491.25)	(1,609.61)	(2,879.11)
Cash received from sales of other current financial assets	6,612.45	6,323.76	6,467.00
Cash received from sales of other non-current financial assets	842.77	1,210.22	1,801.21
Acquisitions of property, plant and equipment	(465.56)	(217.45)	(221.47)
Proceeds from disposals of property, plant and equipment	4.76	1.37	1.12
(Increase) decrease in advance payments for purchase of assets	(67.06)	1.57	(4.43)
Increase in intangible assets	(1.61)	(1.51)	(2.15)
Interest received	98.57	62.91	56.85
Dividend income from listed equity investments	14.30	10.33	8.65
Dividend income from joint venture	5.85	3.22	1.73
Dividend income from non-listed equity investment	7.65	5.85	7.35
Net increase in non-controlling interests of the subsidiary	0.00	-	-
<b>Net cash used in investing activities</b>	<b>(1,028.85)</b>	<b>(837.07)</b>	<b>(1,126.61)</b>
<b>Cash from financing activities'</b>			
Payment of principal portion of lease liabilities	(13.43)	(11.19)	(9.84)
Cash paid for interest expenses	(1.40)	(0.89)	(0.67)
Dividend payments	(900.00)	(864.00)	(801.00)
<b>Net cash used in financing activities</b>	<b>(914.83)</b>	<b>(876.08)</b>	<b>(811.51)</b>
Net increase (decrease) in cash and cash equivalents	(79.79)	259.18	21.42
Cash and cash equivalents at beginning of year	648.95	389.77	368.35
Cash and cash equivalents at end of year (Note 6)	569.16	648.95	389.77

#### 4.3.4 Financial Ratio

(Unit : Million Baht)

Financial Ratio		2023	2022	2021
<b>Liquidity Ratios</b>				
Current Ratio	(Times)	6.78	5.77	5.80
Quick Ratio	(Times)	6.57	5.57	5.60
Cash Flow Liquidity Ratio	(Times)	1.69	1.86	2.06
Average Collection Period	(Day)	48	44	40
Average Finish Goods Period	(Day)	1	1	1
Average Inventory Period	(Day)	13	13	13
Average Payment Period	(Day)	72	70	68
Cash Cycle	(Day)	(23)	(25)	(27)
<b>Profitability Ratios</b>				
Gross Profit Margin	(%)	46.51	46.22	47.30
Net Profit Margin	(%)	22.48	22.55	23.42
Return On Equity	(%)	15.06	16.20	17.41
<b>Efficiency Ratios</b>				
Efficiency Ratios Return on Assets	(%)	13.60	14.57	15.68
Return on Fixed Assets	(%)	61.77	61.71	50.97
Total Asset Turnover	(Times)	0.60	0.65	0.67
<b>Financial Policy Ratios</b>				
Financial Policy Ratios Debt to Equity Ratio	(Times)	0.10	0.12	0.11
Interest Coverage Ratio	(Times)	1,417.33	2,191.06	3,390.65
Commitment Coverage Ratio	(Times)	159.23	156.65	395.92
Dividend Payout Ratio	(%)	N/A	52.84	50.71

## Section 1 Business Operations and Performance

# 5. General Information and Other Important Information

## 5.1 General Information

General Information	
<b>Company's Name</b>	President Bakery Public Company Limited
<b>Symbol</b>	PB
<b>Nature of Business</b>	Manufacture and distributor of bread and bakery products
<b>Registered</b>	No. Bor Mor Jor 0107545000144
<b>Registered Capital</b>	450,000,000 Ordinary Shares, Par Value at 1 Baht per Share
<b>Issued and fully paid-up</b>	450,000,000 Ordinary Shares, Par Value at 1 Baht per Share
<b>Head Office</b>	121/84-85, 29 <sup>th</sup> Floor, R.S. Tower, Ratchadapisek Road, Dindaeng, Bangkok 10400
<b>Telephone</b>	0-2209-3000
<b>Fax</b>	0-2209-3091
<b>Website</b>	<a href="http://www.farmhouse.co.th">http://www.farmhouse.co.th</a>
<b>Registrar</b>	Thailand Securities Depository Co., Ltd. 93, Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel. 0 2009-9000 Fax. 0 2009-9991
<b>Auditor</b>	EY Office Limited 193/136-137, 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel. 0-2264-0777, 0-2661-9190 Fax. 0-2264-0789-90, 0-2661-9192
<b>Legal Consultant</b>	F.N. Infinity Co.,Ltd. 611/40, Soi Wat Chan Nai, Charoen Krung Road, Bang Khlo, Bang Kho Laem, Bangkok 10120 Tel. 0-2689-8946, 0-2291-0414 Fax. 0-2291-1127



## **5.2 Other Important Information**

### **5.2.1 Information that has a substantial impact on the decisions of investors**

- None -

### **5.2.2 Restrictions on foreign shareholders**

- None -

## **5.3 Legal Disputes**

- None -

## **5.4 Secondary Market**

- None -

## **5.5 Financial Institutions that are contacted on a Regular Basis (Only in the Case of Debt Instruments)**

- None -

## Section 2 Corporate Governance

# 6. Corporate Governance Policy

### 6.1 Overview of Corporate Governance Policies and Practices

The Board of Directors is confident that there is a good, transparent, and responsible management system, as well as an adequate and appropriate balance of power and an internal control system, as well as respecting the rights and equality of shareholders and taking responsibility for stakeholders. It will be a significant factor in strengthening the organization's ability to maintain excellent immunity and achieve long-term balanced and sustainable growth.

As a result, the Board of Directors has established the following corporate governance policy for all directors, executives, and employees to follow as guidelines for their work operations:

1. Directors, executives, and all employees of the Company are committed to using corporate governance concepts, business ethics, and the Code of Conduct in the Company's operations for the directors, executives, and employees.
2. Company directors, executives, and other employees must carry out their responsibilities responsibly, with caution, honesty, and integrity, in accordance with the law, Articles of Association, and associated announcements.
3. Implement the Company's management structure so that each committee's and management's authority, duties, and obligations are clearly stated.
4. Implement a suitable level of internal control and risk management, and having an accounting system and financial reports that are accurate and reliable.
5. Assuring that important information is disclosed sufficiently, reliably, and promptly, as long as it does not jeopardize the Company's legitimate interests.

6. Recognize and respect shareholders' ownership rights and treat all stockholders fairly.

7. Operate with a focus on accountability of shareholders, stakeholders, community, society, and the environment.

8. Commit to excellence in business operations by listening to and reviewing oneself in order to promote client satisfaction to improve managerial potential and to always produce the best.

9. Instill morals and ethics, create a good conscience, treat employees with fairness, and strive for continuous development and enhancement of personnel capabilities.

10. Anti-corruption, non-infringement of intellectual property, observance of the law, and respect for human rights

11. Treat conflicts of interest prudently and rationally based on the interests of the Company.

The Board of Directors has developed a manual entitled "Principles of Good Corporate Governance, Revised Edition No. 2" in accordance with the Corporate Governance Code for Listed Companies 2017, which establishes the Board of Directors' Code of Conduct and have followed proper procedures. It comprises of 8 major components as the organization's leader and the person with the most responsibility for the organization:

#### Code of Conduct 1

Recognizing the Board of Directors' tasks and responsibilities as an organization's leader who generates sustainable value for the business. The Board of Directors established the Company's vision and mission to ensure that the Company's directors, executives, and employees are all working toward the same goal by conducting periodic reviews.

## Code of Conduct 2

Determining the business's objectives and primary aims for sustainability, the Board of Directors establishes or supervises the business's objectives and primary goals (Objectives) for sustainability. The aims and goals are compatible with the Company's mission of providing value for its customers, stakeholders, and society at large.

## Code of Conduct 3

Reinforce the effectiveness of the Board of Directors, whereby the Board of Directors is responsible for defining and reviewing the Board of Directors' structure in terms of size, composition, and proportion of independent directors that are appropriate and necessary to lead the organization to its objectives and goals.

## Code of Conduct 4

Recruit and develop high-level executives and manage personnel. The Board of Directors supervises the selection and development of the Managing Director and high-level executives to have the knowledge, abilities, experience, and characteristics necessary to drive the organization towards success.

## Code of Conduct 5

Encourage innovative thinking as well as ethical business practices. The Board of Directors places importance on and supports innovation that adds value to the business while also benefiting consumers and associated parties and is accountable for the well-being of society and the environment.

## Code of Conduct 6

Ensure that there is appropriate risk management and internal control system. The Board of Directors has established effective risk management and internal control system following relevant laws and standards.

## Code of Conduct 7

Maintain financial credibility and disclosure, the Board of Directors emphasizes the importance of having a strong corporate governance system and disclosing material information that has had or may have an effect on the Company's stock price, investment decisions, or shareholder benefits in order for shareholders and investors to receive essential information in an equal and timely manner.

## Code of Conduct 8

Encourage participation and communication with shareholders. The Company recognizes and respects shareholders' ownership rights. As a result, the corporation encourages shareholders to use their legal rights and ensures that all owners are treated equally. The fundamental rights of shareholders include the ability to purchase, sell, or transfer shares; profit sharing; and the acquisition of adequate information and information about the Company.

The Company's policies on corporate governance, business ethics, and codes of conduct for directors, executives, and employees are published to employees, shareholders, and the general public through the Company's website under the heading "Investment Information: Good Corporate Governance/Corporate Governance Policy."

## Compliance with Good Corporate Governance Principles

In 2023, the Board of Directors requires that the corporation adhere to the 8 principles of good corporate governance, which are divided into 5 categories:

### 5 categories of Principles of Corporate Governance:

#### 1. Rights of Shareholders

the Company recognizes and respects shareholders' ownership rights. As a result, the Company encourages shareholders to exercise their rights and treats them equally. Shareholders' fundamental rights include the ability to purchase, sell, or transfer shares; profit sharing; acquiring sufficient information about the Company.



**1.1 The Company's shareholders' meeting** is scheduled to hold an annual general meeting of shareholders within no more than 4 months from the end of the fiscal year. In 2023, the Company held the 44th Annual General Meeting of Shareholders on 28 April 2023, at 9.30 a.m. meeting room floor 6, Bangchan Factory at Bang Chan Industrial Estate. The meeting place is convenient to travel to because it is near the main road and has been announced in a Thai daily newspaper regarding the notice of the Annual General Meeting of Shareholders not less than 3 consecutive days before the meeting date announced during 17-19 April 2023, and such information is published at [www.farmhouse.co.th/](http://www.farmhouse.co.th/) Including investment information, as well as an opportunity for shareholders to submit questions in advance of the meeting date

**1.2 The notice of the shareholders' meeting** contains essential agenda items and has been considered by the Board of Directors' meeting for approval. The invitation letter for the meeting contained facts and reasons, along with the directors' opinion, providing sufficient information for shareholders to use in their decision to vote on various agendas. Additionally, in the invitation letter for the shareholders' meeting, the company clearly states the documents showing the ownership or the representative of the shareholders who is entitled to attend the meeting with an important agenda for approval every year, namely:

- **Director Appointment Agenda:** The Company allows shareholders to elect directors individually by providing name and surname, age, educational background, work history, number of companies holding directorships separately, listed companies, and general companies. The criteria and methods for nominating the types of directors who present information on attendance and the number of years in office in the case of nominations for the former director by nominating the aforementioned directors have been reviewed by the Nominating Committee
- **Director's Remuneration Agenda:** The Company has provided data regarding the types and amounts of payments, as well as policies and criteria for determining the remuneration of directors that have been determined and refined by the Remuneration Committee.

- **Agenda for the appointment of auditors:** The Company has given details about the auditors' name of the audit firm, experience, auditors' ability, independence, remuneration for the number of years serving the Company (in the case of appointing the former auditor). Method for considering the appropriateness of the audit fee has been determined and screened by the Audit Committee.

- **Profit Allocation and Dividend Agenda:** The Company has provided details about the allocation of profits and reserve funds, the number of dividends with reasons, and supporting information following the dividend payment policy and the date set by the Board of Directors (Record Date) to determine the right to receive dividends.

**1.3 On the day of the shareholders' meeting,** the Company Secretary will define the shareholders' voting rights and obligations according to the Company's Articles of Association, each ordinary share carries one vote. Voting must be conducted in a transparent manner. The Company has used the barcode and ballot systems for registration and for counting votes for each agenda, displaying the votes on a computer screen, and sending the results to the projector for shareholders to see at the same time.

At the 2023 general meeting of shareholders, 15 directors attended the meeting. Those, including the Chairman of the Board of Directors, in addition to the Chief Executive Officer in Accounting and Finance, Executive Director and Auditor of the Company who attended the meeting for shareholders to ask questions on related matters. The Company arranged for an inspector to witness the vote counting for each agenda item by inviting the Company's auditors, namely EY Office Limited, as well as representatives of legal advisory firms to ensure that the meeting is transparent and follows the Company's regulations.

And the Company has also disclosed the resolutions of the shareholders' meeting together with the voting results of each agenda item to inform the Stock Exchange on 28 April 2023.

#### **1.4 The Company publishes the resolutions of the shareholders' meeting**

on the Company's website the next day following the date of the shareholders' meeting. The minutes of the meeting were accurately and completely recorded by including the names of the Directors, Executive Committee, and executive with position who attended the shareholders' meeting, as well as important questions and comments, the director's explanation, meeting resolutions, and voting results in both Thai and English for shareholders to examine. The information was published 14 days following the shareholders' meeting on [www.farmhouse.co.th/investor](http://www.farmhouse.co.th/investor).

### **2. Equitable Treatment of Shareholders**

The Company recognizes the rights and equality of shareholders by treating all shareholders equally, with all shareholders' rights and equality as follows:

**2.1 Shareholders' meeting:** The invitation letter and supporting documents will be sent to shareholders at least 10 days in advance of the meeting date. The invitation letter for the meeting was prepared in both Thai and English versions. The English version of the shareholders can be viewed at [www.farmhouse.co.th](http://www.farmhouse.co.th). Additionally, if it is necessary to propose a special agenda for an urgent case that affects or is related to the interests of the shareholders or is involved in the conditions or regulations of the government that require approval from the shareholders, the Company will call The Extraordinary General Meeting of Shareholders is on a case-by-case basis, and the Company allows shareholders to propose matters for inclusion in the meeting agenda and/or to nominate a person to be considered for election as the Company's director one month in advance in 2023, starting from 1-31 December 2023.

The Company has provided shareholders with the opportunity to appoint proxies or independent directors to attend and vote at the meeting on their behalf by sending the proxy Form B and the required documents for attending and appointing the proxy, which are attached to the meeting invitation and can be downloaded from [www.farmhouse.co.th](http://www.farmhouse.co.th). According to the forms prescribed by the Ministry of Commerce, there are 3 types of proxy forms from which shareholders can choose the voting direction.

At the shareholders' meeting, the Company will inform shareholders about the voting process, including their right to vote, by counting the number of ordinary shares, where 1 share equals 1 vote, along with the meeting rules and ballots used for each agenda item, by counting the votes, and by revealing the voting results for each agenda item at the shareholders' meeting by specifying the shareholders who voted to agree, disagree, or abstain. In this regard, the agenda for electing directors enables shareholders to exercise their right to elect individual directors, and no extra meeting agendas were not communicated in advance.

**2.2 Conflicts of Interest:** To ensure good administration and to avoid conflicts of interest, the Board of Directors has established the following measures regarding connected transactions with individuals who may have a conflict of interest as follows:

1. In the case of a regular transaction and continuation to do so in the future, Administration and Management Department can operated it and must explain that the quoted price is fair. The quality of products and services is acceptable and other conditions necessary to be brought to arbitration in making such a transaction. The Administration and Management Department have considered that it brings the utmost benefit to the Company wherein various documentary evidence must be collected to be used in the explanation to the Audit Committee.

2. If a transaction is abnormal but substantial and if the Company has a transaction in this manner with individuals with whom it may have future conflicts, it must be considered by the Board of Directors to provide comments on the appropriateness of such a list. If the Audit Committee lacks expertise in reviewing connected transactions, the Audit Committee will request that the Company appoint a person with specialized knowledge, such as an auditor, a property appraiser, or a law firm, who is not affiliated with any of the companies or individuals that may have a conflict of interest, to provide opinions on such connected transactions.

### 2.3 Supervision of internal information use:

The Company has insider trading prevention that would be detrimental to shareholders. The Company has created "Policy, orders, and processes for supervising directors and executives in their use of internal Company information for personal gain" (as documented in writing in the minutes of the Board of Directors Meeting No. 7/2002). The Company's director, executives, and employees strictly adhered to the said policy during the preceding year. The agenda for each meeting of the Board of Directors has included a discussion of the directors' and executives' stock holdings, which is reported in the 56-1 One Report.

## 3. Taking into Account the Roles of Stakeholders

The Company has prioritized the interests of all stakeholders by adhering to the regulations and guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand, as well as other applicable legislation, to ensure that these stakeholders' rights are protected. The following are the responsibilities of stakeholders:

### To Shareholders

The Board of Directors discharges its obligations with prudence, candor, and integrity to deliver positive returns for shareholders on a consistent and sustainable basis. It is defined by the policies and procedures set out below:

1. Respect ownership rights and treat shareholders equally and fairly.
2. Operate by adhering to the principles of good corporate governance; this will contribute to the development of shareholder confidence and trust, which will result in sustainable growth.
3. The business of the Company is always evolving in order to progress, provide shareholders with reasonable returns.

4. Report important information that affects or may affect shareholders' rights, both information reported on an accounting period basis and information reported on an event basis in accordance with applicable laws and notices, without taking any action that restricts shareholders' access to the Company's information.

5. Report on the Responsibilities of the Board of Directors for the financial reports included in the annual report.

6. Enable minority shareholders to submit items for inclusion on the meeting agenda and/or nominate candidates for election to the Company's directors at the annual general meeting of shareholders.

7. Shareholders will have the chance to submit questions about the meeting in advance of the meeting.

8. Publish the notice of the shareholders' meeting on the Company's website at least 30 days before the meeting date, in both Thai and English, to allow shareholders time to acknowledge and analyze the information prior to the meeting.

9. Facilitate the shareholders' meeting by setting the date, time, place, and method without impeding attendance, as well as allowing shareholders who are unable to attend the meeting in person to select a proxy to attend and vote on their behalf.

10. Handle conflicts of interest cautiously and reasonably, and disclose all information completely.

11. Protect the Company's interests and assets in the same way as a prudent individual would protect his own and eliminate the exploitation of illegal advantages, whether direct or indirect.

All stockholders are treated equally by the Company. There is a policy of fixed dividend payments. Dividends are paid at a rate of not less than 50 percent of net profit after income tax and deducting legal reserve. Dividend payments are subject to change based on the Company's operating results, financial condition, and investment plans. The following dividends have been paid from the Company's overall operation results:



Dividend in 2022	Baht per Share	Date of Payment
Paid from Net profit for the six-month period ended 30 June 2022 and Retained earnings	0.86	19 September 2022
Paid from Net profit for 1 July 2022 to 31 December and Retained earnings	1.14	24
<b>Total</b>	<b>2.00</b>	

Dividend in 2023	Baht per Share	Date of Payment
Paid from Net profit for the six-month period ended 30 June 2023 and Retained earnings	0.86	19 September 2023
Paid from Retained earnings	Wait for approval	Wait for approval

### To Customers

The Board of Directors acknowledges that customer satisfaction and trust are critical components of the Company's long-term success. It is defined by the policies and principles listed below:

1. Conduct business in the field of production, sales and services that are safe for consumers and environmentally friendly.

2. Conduct business with tenacity, develop products and services, discover new technologies, and consistently add value to products and services to suit customers' needs, along with providing the information necessary to make decisions without hiding or misrepresenting the facts.

3. Conduct business with honesty, integrity, and fairness; refrain from violating the customer's rights or maintaining the customer's trade secrets; refrain from using them for the profit of yourself or those involved in wrongdoing.

4. Not demanding or agreeing to receive any assets or any other dishonest benefits from customers, either directly or indirectly.

5. Adhere to trade agreements. If this is not possible, inform customers in advance so that they can collaborate to find a solution and avert damage.

6. Provide means for customers to communicate with the Company, and complaints should be handled fairly.

The Company has established a customer relations department to receive consumer complaints, recommendations, and advice on products and services. They may be reached at 02-209-3090, 02-209-3091, or online at [www.farmhouse.co.th](http://www.farmhouse.co.th) or on Facebook at [www.facebook.com/FarmhouseThai](https://www.facebook.com/FarmhouseThai). This ensures that staffs are available and will go above and beyond to ensure a timely response to requests and to foster customer and consumer confidence.

### To Trade Partner

The Board of Directors treats its trade partners equally and takes into account mutual benefits by defining policies and guidelines as follows:

1. There is a system for selecting trading partners in the value chain who conduct business according to the law, comply with safety and occupational health standards, are environmentally friendly, and fair treatment of trading partners based on fair competition and respect for each other.

2. Maintain the confidentiality of trade partners' information and do not misuse it for the benefit of oneself or those involved.

3. Establish mutual trust and understanding, share expertise, collaborate to improve products and services, and provide value to them in order for both businesses to succeed.

4. Adhere to trade agreements and offer correct data. If this is not possible, negotiate in advance with business partners to jointly develop solutions and avoid damage.

5. Do not demand, accept, or agree to receive any property or any other benefit that is beyond the scope of the trade agreement.

### To Competitors

The Board of Directors operates business following applicable laws. It is defined by the policies and principles listed below.

1. Adhere to fair competition guidelines in terms of business ethics and competition legislation in several countries in which the Company conducts business.

2. Do not jeopardize competitors' reputations. The Company has not had any disagreements with competitors in the last year.

### To Payables

The Board of Directors is devoted to conducting business in a moral and disciplined manner in order to earn the trust of creditors. It is defined by the policies and principles listed below.

1. Treat all payables equally and fairly
2. Strictly adhere to contracts or agree upon terms
3. Manage business to reassure payables about the Company's financial position and solvency
4. Disclose the financial condition accurately and timely
5. If one of the conditions cannot be met, promptly notify the payables in advance to collaborate to find a solution and avoid damage.

In 2023, The Company paid trade accounts payable as per the pre-agreed payment terms without incurring any defaults, and the Company currently has no payables for any loans.

### To Employees

The Board of Directors views employees as significant resources and a critical part in the Company's performance, and has defined the following as a policy and guideline for fostering diversity and equal labor practices:

1. At work, treat employees with dignity and respect for their fundamental rights, and refrain from disclosing or transmitting personal or confidential information about them to outsiders or unrelated parties.

2. Treat employees in accordance with the legal framework, regulations, rules and laws governing the Company's operations.

3. Promote employment equality, nondiscriminatory differentiation, and avoid exclusion on the basis of gender, age, color, race, nationality, religion, disability, political race, or any other status that is not directly relevant to the operation, including support for disabled workers.

4. Adhere to minimum employment age requirements and refrain from allowing young employees to work in ways that are detrimental to their health, development, or compulsory schooling.

5. Support and encourage training and information sharing to comprehensively develop and enhance personnel's skills and abilities in a variety of methods in order to provide career stability, and open possibilities for progress based on each individual's potential.

6. Promote and encourage participation of all employees in setting the direction of operations and corporation development.

7. Remuneration is reasonable and commensurate with knowledge, talents, obligations, responsibilities, and performance.

8. Assure that employees receive appropriate welfare and benefits, such as medical treatment, annual physical examinations, accident insurance, employees' provident funds, and so forth.

9. Provide channels for employee communication, suggestions, and/or complaints about work, with the understanding that all suggestions will be considered in conjunction with the corrective action determined in order to benefit all parties and foster a positive working relationship.

10. Provide all necessary facilities for the performance of duties and responsibilities, including a working environment that adheres to safety, occupational hygiene, and a good working environment in order to promote and improve employees' quality of life.

11. Encourage engagement of employees at all levels in social responsibility, environmental stewardship, anti-corruption, and risk management activities.

The Company understands the value of its people as the most precious resource and that they are critical to the organization's success. It treats employees with dignity and respect for their fundamental human rights, treats them equally, fairly, and without discrimination, and promotes employment equality, which includes establishing regulations for management and human resource development and adhering to Thai labor laws, which include prohibitions on child labor, forced labor, and discrimination against labor, etc.

## **Fair Treatment of Employees**

The Company has supported, advocated for, and promoted equal treatment of employees in order to improve their quality of life and build a connection with the organization based on human rights and dignity. As a result, the following guidelines have been established:

### **Guidelines for Employee Recruitment**

1. Adhere to human rights-sensitive recruiting, selection, and employment policies, refrain from discrimination and prioritize the principles of knowledge, competence, fairness, and equality.

2. Employ no illegal or child labor and do not permit minors to work in ways that are harmful to their health, development, or compulsory education.

3. Adhere fully to labor laws and related regulations, including the protection of employees' rights equally and fairly.

4. Establish a system of employment with a valid employment contract and/or a transparent employment agreement

5. Treat employees concerning employment concerns based on their knowledge, competence, operational abilities, and working efficiency, rather than based on their traits, including assisting disabled workers' employment.

## **Employee Remuneration Practices**

1. Determine earnings or salaries that are not less than the minimum wage needed by law, as well as wage rates that are equitable with labor skill criteria. Do not discriminate based on personal traits like nationality, race, religion, or sex, but based on the employment principle of equal effort and equal compensation.

2. Consider the wage adjustment or salary for a group of workers with varying levels of knowledge, skills, talents, and responsibilities fairly and appropriately. The criteria are established in accordance with the regulations governing employment evaluation and promotion.

3. There is a timekeeping system, performance reporting, and the establishment of transparent and auditable procedures.

## **Guidelines for Labor and Employees Relations**

1. Provide opportunities for employees to participate in management through the workplace welfare committee and other committees, allowing them to express their ideas, make suggestions, and participate in decision making regarding the organization's operations.

2. Treat workers and employees fairly and take advantage of the benefits available to employees under all types of employment contracts. Provide a complaint and/or complaint system as a means of communication to foster mutual understanding and positive relationships, including employment fairness.

3. Do not obstruct, interfere, or take any action that will affect the exercise of employees' rights that does not have a detrimental effect on the Company's business operations and/or violate the law. The employee's activities are considered to comply with the beliefs of race, religion, gender, disability, national origin, and other factors.

### **Guidelines for Grievances or Employee Complaints**

If employees are dissatisfied with their jobs or are suffering from them, whether it is due to working circumstances, employment terms, command disciplinary action, or a lack of fairness in any aspect of work:

1. Employees may submit complaints or grievances directly to their supervisors in the hierarchy, to the Human Resources Department Manager, or through other channels provided by the Company based on the nature of the event or the convenience of the employees, via a written or oral form that must detail the incident in detail and include supporting documents (if any).

2. Investigation and consideration by the Management of the Company: The Company will consider investigating by establishing an investigation committee to determine and consider or decide on complaints that arise. If the complainants or complaints are dissatisfied with the verdict of the Investigation Committee, it is able to file an appeal according to the Company's procedures.

3. To safeguard complainants and connected parties, the Company views complaints or complaints made by workers who satisfy the requirements as a method for employees to do the right thing, and the Company will not penalize employees, as well as those involved in complaints or complaints in any way.

### **Management of Welfare and Other Benefits**

The Company has emphasized training and development of knowledge and skills, consistently enhancing employees' capacities and giving possibilities for professional progression based on each individual's potential. Simultaneously, the company promotes the creation of a positive atmosphere and working environment by considering the safety of employees' lives, health, and

property, as well as by establishing a committee of work safety departments to oversee this specific task of strengthening and improving employee quality of life through various forms of welfare.

At the same time, it has emphasized ensuring that all employees have a good quality of life and are happy at work, believing that the cornerstone of running a sustainable business is the potential of happy employees who receive welfare benefits such as personal protective equipment, workwear/apparel staff shuttle, a factory canteen that is hygienic, clean, of good quality, and affordable, hand washing sinks are available, as well as providing an annual health check-up and medical room with a regular doctor, etc.

### **Health and Safety**

To promote the health of employees to be strong and effective at work, as well as to reduce employee time off, for example, the company's hospital room, the compensation fund for medical expenses above the legal requirement, accident insurance for all employees, 24-hour protection, annual physical check-up, and influenza vaccinations, etc.

### **Living Expenses Assistance**

To alleviate employees' financial strain and enable them to achieve a higher standard of living and a higher quality of life, the Company provides a shuttle bus, uniforms, maternity allowance, children's scholarship, special price purchase, group accident insurance policy, a market selling discounted products, and housing interest benefits, etc.

### **Morale and Encouragement**

To create morale and encouragement at work for employees and to strengthen organizational bonds, the Company offers internal and external training and seminars to develop skills, knowledge, and abilities. Employee rewards are based on the age of service, HPE: High Performance Employees Award, a New Year's present, relaxation and tourism events, and financial help in the event of a leave of absence or the loss of a family member.



## Savings for the Future

To encourage and assist employees in learning and understanding financial planning in order to achieve future stability and a high quality of life, the Company offers provident funds, savings cooperatives to minimize informal debt, and retirement pensions at a rate larger than the legal minimum, etc.

The Company has encouraged all employees to participate in environmental stewardship by establishing a "Committee on Safety, Occupational Hygiene, and the Working Environment in the Workplace" to address issues of safety, good environmental stewardship, and hygiene, and workplace safety checks are conducted on a regular basis, with security personnel available 24 hours a day. Inside the building, an alarm system has been built. There are internal traffic routes with fire prevention and suppression systems, as well as providing complete tools, appliances, and safety equipment for employees by supervising and training employees on how to use tools and equipment properly and strictly during operations, including providing protection systems and the readiness of various safety equipment such as alarms, fire extinguishers, emergency lighting, and breathing apparatus. Additionally, a CCTV system has been established to monitor employees' and the organization's assets, as well as a system for controlling, supervising, and inspecting them to ensure they are always available for use.

Along with providing support through the "HR Clinic," labor relations officers advise, assist in alleviating suffering, receive complaints, conduct training courses for employees related to problem solving skills, prevent and eliminate stress, including working collaboratively to make working together easier and more enjoyable, and increase the ability to balance time for life and work. Meanwhile, the Company organized activities to assist employees in maintaining a healthy lifestyle, including exercise, nutrition, health checks, and welfare for medical treatment, as well as activities to foster relationships among employees, allowing them to get to know one another and assist one another.

Simultaneously, the Company has supported the creation of five Sor programs and initiatives to establish workplaces that promote health, employee physical and mental well-being, and workplace improvement. There are campaigns and training activities aimed at assisting employees in quitting smoking and drinking alcohol (or all types of alcoholic beverages), avoiding travel accidents, and abstaining from all types of drugs, as well as encouraging employees to exercise, eat nutritious food, and avoid risky behaviors that could be detrimental to their health.

Additionally, the Company established the Employee Welfare Promotion Committee to provide opportunities for employees to participate in the management of welfare or benefits, as well as to provide comprehensive assistance to employees in matters of welfare and to provide avenues for employees to communicate with one another. Moreover, the Company encourages all employees to participate in religious activities on the Company's annual merit-making day and numerous social activities with a management and life philosophy that may be applied to one's self, family, society, and job, thereby improving one's quality of life.

## To the Community and Society

The Board of Directors conducts business in accordance with its obligations to the nation, community, and society, emphasizing compliance with different safety, security, and adequate hygiene standards, as well as local customs and traditions, in order to maintain a healthy society and public. Additionally, it actively seeks opportunities to encourage social creative activities and to instill a feeling of social responsibility in employees at all levels, by establishing the following policies and guidelines:

1. Do not conduct a business that degrade society and violate the rights of individuals who are involved in the community and society.

2. Cultivate a continual and serious sense of duty toward the community and society at large among the Company and its employees at all levels. Section 2 Corporate Governance 80 Form 56-1 One Report 2022 President Bakery Public Company Limited.

3. The Company's primary responsibility and policy is to focus on community and social activities by promoting sustainable social, community, and environmental development, which includes supporting youth education and public benefit activities in the communities surrounding the factory.

4. Provide the correct information and create understanding by listening to problems and potential impacts on the surrounding communities to manage corrections on time. Thus, the community and the factory may coexist together, with each receiving what they require from the other.

5. Establish measures to prevent and mitigate the adverse effects of the Company's operations on communities and society.

6. Conduct a survey to ascertain the community's thoughts and needs for effective response and development of good corporate governance practices.

7. Sustainably support public benefit activities, particularly those on a local level in which the Company group conducts business, taking into account the appropriateness and advantages to society and communities.

8. Encourage the preservation of cultural heritage and local customs.

9. Collaborate with a variety of community development organizations.

10. Generate revenue and enhance the local economy by promoting local jobs and products.

11. Establish a positive relationship between the business and the surrounding community and society on the basis of precision and honesty and fairness

Additionally, the Company places a high value on sustainable development, believing that sustainable success does not solely depend on economic performance but also on participation in community and social development to grow together, such as assisting social agencies in the community, sponsoring sporting events, and donating money and goods to various charitable organizations across the country. (For more details, see the Sustainability Development Report.)

## To the Environment

The Board of Directors conducts business responsibly with regard to natural resources and the environment by fostering economical and efficient energy use and by being cognizant of the community's and society's quality of life, both in the immediate vicinity of the plant and at the national level.

The Company has considered the business operations that will have a significant environmental impact. Technology selection, production processes, and waste disposal processes including research and development innovations will promote the efficient use of the energy. The following policies and guidelines apply:

1. Conduct business in compliance with applicable laws, regulations, and environmental policies while considering the impact on natural resources and the environment. Performance reviews and assessments are conducted on a regular basis.

2. Establish a corporate culture and raise awareness across all levels of personnel. Collaborate and take responsibility for environmental management. Resource management that is both efficient and sustainable.

3. Enhance environmental awareness and education among executives and employees at all levels.

4. Promote environmental management systems based on resource efficiency, the application of therapeutic measures and replacement, long-term surveillance, and the prevention of negative impacts on natural resources and the environment.

5. There is a system for selecting trade partners in the value chain that operate environmentally friendly businesses.

6. Advance and distribute ecologically friendly technologies.

7. Consider alternative methods of natural resource exploitation, without inflicting any harm to the environment or to the people's quality of life or minimally.

8. Take leadership in promoting energy efficiency and conservation for the benefit of society and the community on a long-term basis. Section 2 Corporate Governance

### **To the Public Sector**

The Board of Directors operates in accordance with applicable government rules. It is defined as the policies and guidelines listed below:

1. Study and comprehend the applicable rules and regulations and abstain from doing any action that violates the law.
2. Operate appropriately while interacting with government personnel or agencies.
3. Establish a positive relationship between the Company and the government within a reasonable boundaries.
4. Adhere to the applicable laws, customs, and traditions governing business activities in each country or locale.

The Company sincerely conducts business in good faith and consistently cooperates with and supports the public sector. Taxes are paid accurately and completely within the time limits prescribed by law, including corporate income tax, value added tax, specific business tax, withholding tax, signboard tax, building tax, customs tax, and stamp duty, as well as various government fees associated with the business operations of all types of companies.

### **Non-infringement of Intellectual Property**

The Board of Directors maintains a zero-tolerance policy for intellectual property infringement. The following guidelines have been established:

1. Conduct business in line with applicable intellectual property rules, regulations, and contractual commitments.
2. Take care of the company's intellectual property and refrain from using such intellectual property or allow others to do so without permission.
3. Respect other people's intellectual property rights. Do not infringe or use the work of others for personal gain unless the owner of the piece grants permission or compensation.

4. The employee's work or that which results from the performance of tasks shall be considered intellectual property of the Company and such intellectual property must be surrendered to the company upon the employee's retirement, regardless of the format in which the data is stored.

In the previous year, the Company has not committed any infringements of intellectual property rights.

### **Non-violation of Human Rights**

The Board of Directors demonstrates its commitment to human rights by establishing the following policies and guidelines:

1. No action or non-support of human rights violations
2. Provide employees with comprehensive knowledge of human rights principles that they may use to their work.
3. There are no restrictions on independence or differences of opinion, whether they are related to gender, race, religion, politics, or any other subject. However, expressing opinions that may cause conflicts or divisions should be avoided.
4. Provide means of contact for employees and anyone who believe their rights have been infringed or who believe they have been treated unfairly. They can complain to the Company and complaints should be taken care of and treated fairly.

### **4. Disclosure and Transparency**

The Board of Directors places a high value on having a strong corporate governance system and disclosing material information that has or may have an effect on the Company's stock price, investment decisions, or shareholder benefits, so that shareholders and investors receive important news in an equal and timely manner. Which can be divided into:

1. Information reported according to accounting period, i.e. financial statements, Form 56-1 One Report.

2. Information is presented on an event by event basis, including the acquisition/ disposition of assets, related transactions and investment involvement, dividends paid/not paid, financial support, etc.

Delivering such information electronically and submitting it to the Stock Exchange of Thailand in the form of a printed document within the prescribed time frame for publication and publication on the Company's website [www.farmhouse.co.th](http://www.farmhouse.co.th) in both Thai and English, the Company has not been penalized by the Securities and Exchange Commission or the Stock Exchange of Thailand in the last year for non-compliance with information disclosure requirements.

Publication of information on the Company's website includes:

- Company Vision and Mission
- Company Regulations
- Nature of business operation
- Good Corporate Governance Policy of the Company, Business Ethics, Code of Conduct of Company director, Management and staff
- Corporate Sustainability Development Policy
- Environmental Management Policy
- Social Management Policy
- Anti-Corruption Policy and Procedures
- Board of Directors Charter, Company Secretary Charter
- Audit Committee Charter
- Corporate Governance, Risk Management and Sustainability Committee Charter
- Nomination and Remuneration Committee Charter
- Internal Audit Charter and the Code of Conduct of the internal auditors
- List of major shareholders
- Quarterly and annual financial statements, including current and previous year's editions
- Form 56-1 One Report
- Criteria for the Right of Shareholders to Propose Agenda

- Invitation to the Shareholders' Meeting, Minutes of the Annual General Meeting of Shareholders
- And various marketing news and the Company's social activities

The Board of Directors recognizes that the Company's information both financial and non-financial are all affect investors and stakeholders of the Company to make a decision. Therefore, the management has been instructed to proceed with the disclosure of complete information, accurate, reliable, consistent, and timely, including an annual financial reporting responsibility report. In 2022, a management discussion and analysis were prepared for the disclosure of financial statements that the management has always given importance and adhered.

### Anti-Corruption

"The Company" is the leader in bakery production and distribution, which creates the highest popularity and satisfaction for consumers as well as provides confidence to all groups of stakeholders, so a management system with effectiveness, transparency, and corporate governance code is developed. The Company shall not accept any form of corruption, both directly and indirectly. It, therefore, signed a declaration of intent to join the project "Thai Private Sector Collective Action Coalition Against Corruption" on April 22, 2016. The membership was renewed 1st on November 4, 2019, and 2nd on September 30, 2022, which will expire on December 31, 2025. The Company shall continue to comply with the anti-corruption policy with the awareness that corruption is a major obstacle to the development of the organization and the country.

The Company has established an anti-corruption policy to clarify the Company's guidelines and also be a requirement for the Company's directors, executives, and all employees to comply with the policy to develop into a sustainable organization as follows:

1. The Company does not act and/or support bribery by giving or receiving gifts, hold a business entertainment, sponsorships, donations, political support, implementation that may cause beneficial conflict, facilitation payment and hiring government employees, the Company will operates with transparency and auditability.



2. Raising awareness and values regarding anticorruption to the Company's directors, executives and employees to comply with laws, announcements and related regulations with the preparation of documents as guidelines.

3. The Company's directors, executives and employees are prohibited from doing anything or being an intermediary in giving or receiving property or any other benefits with government officials, government agency, private agency or person who do business with the Company, whether directly or indirectly, so that such persons act or refrain from duty to obtain or maintain improper business interests.

4. Provide a mechanism for reporting on financial status with transparency and accuracy. Have efficient and effective internal control system as well as check and balances for the use of power appropriately to prevent corruption or involvement with corruption.

5. Requiring to have the review regularly in compliance with policy and anti-corruption regulations together with reviewing the guidelines and the requirements to operate in order to comply with changes in business, laws and related regulations.

6. Provide communication channels to enable the whistleblower to report suspicious clues by ensuring that whistleblowers are protected.

In this regard, the Company has published an anticorruption policy to employees, business partners, and all stakeholders, both in the form of written documents and disclosures on the Company's website, to inform that the Company does not accept any form of corruption either as a recipient or a giver. In addition, there is an assessment of the risks associated with corruption, setting clear guidelines and consistent with anti-corruption policies and operating procedures. Furthermore, the Company has supported activities that promote employees understanding of anti-corruption, such as a message of intention against corruption from the Managing Director, new employee orientation training in "Anti-Corruption Policy", publicity of knowledge about anti-corruption practices, arranging activities to measure knowledge level on anti-corruption, a cognitive test of executives and employees at all levels annually, including reporting on operating results related to fraud patterns. The audit committee is responsible for

reviewing the appropriateness of the self-assessment practice on anti-corruption measures for the process of certifying the renewal of the Thai Private Sector Collective Action Coalition against Corruption.

In addition, the Company has provided channels for receiving information, clues, or complaints about wrongdoing, law breaking, violations of regulations or the Company's anti-corruption policies and procedures via mail, email, telephone, feedback box, and on the Company website with an internal audit section, company secretary, secretary of the anti-corruption, sub-committee and human resources department to be the recipient of complaints through the relevant channels. The Company has provisions to protect that whistleblowing if they refused to fraud and corruption not to suffer, harm, or not be unfairly treated resulting from cooperation in anti-corruption and corruption.

In 2023, the Company has not received any whistleblower or complaints about violations or corruption.

## **Fair Trade Competition**

The Board of Directors aims for the Company's business operations to be under trade competition law, consider business ethics principle, compete with other business with fairness, support free and fair trade competition, not discriminate or take advantage of others. The guidelines are determined as follow:

1. Study and follow trade competition laws.
2. Joint ventures, mergers or acquisitions must be considered that it is not a market's monopolization or creating unfairness in competition.
3. Avoid making agreements with competitors or other business operators in a manner that monopolizes, limits, or reduces market competition, and not disclose or exchange business information.
4. Avoid making agreements or contracts with business operators in foreign countries in a manner that monopolizes the market or limits opportunity of domestic consumers to purchase products or services.
5. Avoid behaviors that are in a manner of unfair trade treatment with other business operators such as determining trade conditions that limit trade opportunities or alternatives of business partners....

## 5. Responsibilities of the Board of Directors

The Board of Directors is responsible for carrying out the obligations imposed by law, as well as the objectives and regulations of the Company, as well as the decisions of the shareholders' meeting, with honesty and care in order to preserve the Company's interests.

According to the Company's Articles of Association, each director has a fixed term of office, and one-third of the directors must retire at each annual general meeting. The director who has been in office the longest will step down. The Director exiting office may be re-elected according to the principles of good corporate governance for listed companies in 2017. The Board of Directors is made up of people who have a wide range of knowledge, abilities, and experiences, as well as specific skills that are useful to the Company. They understand the role of responsibility, leadership, making suggestions in all areas, and always coming up with good ideas for the Company.

The Board of Directors has clearly defined the Company's vision and made it available to freely express opinions and make decisions to oversee the Company's business in accordance with the objectives and goals that have been established for the best interests of the Company and stakeholders.

## 6.2 Business Ethics

The Board of Directors is committed to doing the right thing, so they created a code of conduct for business ethics and employee ethics to serve as a guideline for the Company's business operations. All directors, executives, and workers have a common need to do their tasks with honesty and integrity within the framework of the law and within the scope of their obligations, including demanding careful discretion when deciding to take any action and refraining from doing anything that would harm the Company and public.

## 6.3 Important Changes and Developments in the Policy Guidelines and Systems of Corporate Governance over the past Year

### 6.3.1 Significant Changes and Developments

In 2023, the Company was certified in corporate governance as follows:

- The Company was selected as 1 of 193 companies in SET ESG Rating 2023. The Company gets assessment results in AA level from the Stock Exchange of Thailand. SET ESG Ratings is a ranking award from sustainable stocks assessment of listed companies on the Stock Exchange of Thailand from performance assessment of listed companies that conduct business sustainably.
- The Company received the corporate governance assessment results of listed companies on the Stock Exchange of Thailand for the year 2023. (Corporate Governance Report of Thai Listed Companies 2023) organized by the Thai Institute of Directors Association (IOD) at the level of 5 stars "excellent".
- The Company has been selected to be in the ESG100 for the 8th consecutive year by Thaipat Institute, the Foundation for Rural Reconstruction of Thailand under the Royal Patronage of His Majesty the King, by evaluating environmental, social, and governance data.

### 6.3.2 Principles of Good Corporate Governance that the Company Did Not Follow

In 2023, the practices that the Company did not follow, as the Company has replaced measures that are suitable for business operations as follows:

Code of Conduct	Company's Substitution Measures
Independent directors hold positions continually not more than 9 years.	The Company believes that the independent director of the Company is a person who has all the qualifications according to the definition of an independent director and can perform duties with independence. In 2023, there is 1 independent director that holds office more than 9 consecutive years.
The Board should consist of more than 50% independent directors.	The Company has complied with the principle that the Office of the Securities and Exchange Commission requires the structure of independent directors at least one-third of the Board of Directors. Currently, there are 5 independent directors, representing one-third.
Chairman of the Board should be an independent director duties	The Chairman of the Board of Directors have well knowledgeable, capable, and have firm-specific the Company's business and has performed his with independence, allowing all directors to freely express their opinions and offer suggestions that are beneficial to the Company
Chairman of the nomination and remuneration committee should be an independent director	The chairman of the nomination and remuneration committee is a non-executive director with well knowledge, ability, experience, and understanding of the Company's business, including performing duties with responsibility.
The Board of Directors consists of directors between 5-12 people.	The Board of Directors of the Company consists of 15 members. The composition consists of 3 groups, independent directors, non-executive directors, and the executive committee for the balance in management, and by the Company's regulations that there is a board of directors of not less than 5 people. However, the Company must consider the number of directors taking into account the suitability and the size of the business.

### 6.3.3 Compliance with CG CODE

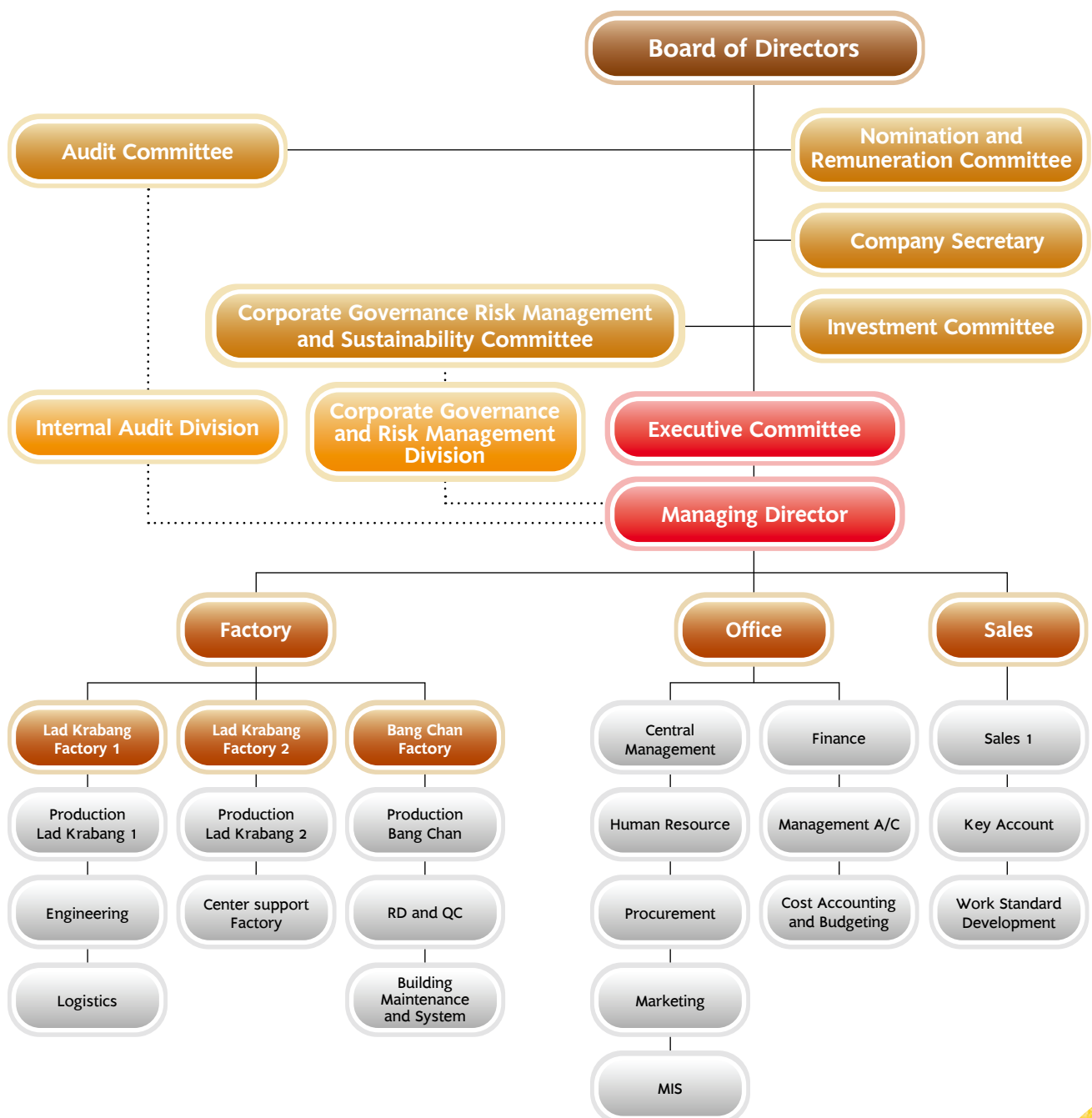
The Board of Directors recognizes the roles and responsibilities of the organization's leadership, having studied and listened to a lecture on the Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) to understanding the benefits and practices to building sustainable business values. The Company still adheres to and complies with "Principles of Good Corporate Governance, Revised Edition No. 2" consistent with the principles of Corporate Governance Code for listed companies 2017 for the Board of Directors, executives, and all employees of the Company to acknowledge and adhere to it as a guideline for work.

The Board of Directors has assessed compliance with the CG Code to ensure that a process has been implemented or has a development plan to suit the business for the benefit of creating sustainable business value meet the expectations of the business sector, investors as well as the capital market and a whole society.

## Section 2 Corporate Governance

# 7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others

## 7.1 Governance Structure Organization Chart





## 7.2 Board of Directors Information

### 7.2.1 Composition of the Board of Directors

The Board structure consists of the Board of Directors, audit committee, nomination and remuneration committee, and member of the corporate governance and risk management committee.

#### Composition of the Board of Directors

The Board of Directors consists of individuals with a wide range of knowledge, abilities, and experiences, have specific skills that are useful to the Company, understand the role, responsibility, leadership, give suggestions in every aspect, and always give good ideas to the Company.

The Board of Directors consists of 15 members, as follows:

- 5 independent directors, representing 33.33% (1/3 of the total number of directors)
- 4 non-executive directors, representing 26.67% of the total number of directors
- 6 executive directors, representing 40.00% of the total number of directors
- 9 directors are male and 6 directors are female.

### 7.2.2 Information of the Board of Directors

Board of Director Name List as at 31 December 2023 as follow:

Name	Position	Director Type
1. Mr. Pipat Paniangvait	<ul style="list-style-type: none"><li>• Honorary Chairman / Director</li><li>• Chairman of the Nomination and Remuneration Committee</li></ul>	Not an executive
2. Mr. Apichart Thammanomai	<ul style="list-style-type: none"><li>• Chairman of the Board of Directors and Chairman of the Executive Board</li><li>• Director of the Nomination and Remuneration Committee</li></ul>	executive
3. Mr. Apisate Thammanomai	<ul style="list-style-type: none"><li>• Managing Director</li><li>• Corporate Governance, Risk Management and Sustainability Committee</li><li>• Investment Committee</li></ul>	executive
4. Mr. Vichai Kulsomphob	<ul style="list-style-type: none"><li>• Director</li><li>• Chairman of the Investment Committee</li></ul>	Not an executive
5. Miss Petcharat Anantawichai	<ul style="list-style-type: none"><li>• Director</li><li>• Corporate Governance, Risk Management and Sustainability Committee</li><li>• Investment Committee</li><li>• Company Secretary</li></ul>	executive
6. Miss Panida Prayottaweej	<ul style="list-style-type: none"><li>• Director and Assistant Managing Director</li><li>• Corporate Governance, Risk Management and Sustainability Committee</li></ul>	executive

Name	Position	Director Type
7. Dr. Pojjanee Paniangvait	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	Not an executive
8. Mr. Pun Paniangvait	<ul style="list-style-type: none"> <li>Director</li> <li>Investment Committee</li> </ul>	Not an executive
9. Miss Saipin Kittipornpimol	<ul style="list-style-type: none"> <li>Director and Assistant Managing Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> <li>Investment Committee</li> </ul>	executive
10. Miss Ubolluck Luevoravinyu	<ul style="list-style-type: none"> <li>Director and Assistant Managing Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> <li>Investment Committee</li> </ul>	executive
11. Mr. Wattanachai Chotechutrakul	<ul style="list-style-type: none"> <li>Chairman of Independent Director and Chairman of Audit Committee</li> <li>Director of the Nomination and Remuneration Committee</li> </ul>	Independent Director
12. Mr. Thanapich Mulapruk	<ul style="list-style-type: none"> <li>Independent Director and Audit Committee</li> <li>Chairman of Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	Independent Director
13. Prof. Dr. Piyamitr Sritara	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Director of the Nomination and Remuneration Committee</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	Independent Director
14. Mrs. Aim-on Pathumarak	<ul style="list-style-type: none"> <li>Independent Director and Audit Committee</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	Independent Director
15. Mr. Sujet Kowkasai	<ul style="list-style-type: none"> <li>Independent Director and Audit Committee</li> </ul>	Independent Director

Name	Position
1. Mrs. Malee Tangjaisanong	<ul style="list-style-type: none"> <li>Advisor</li> </ul>

### 7.2.3 Information about the Roles and Duties of the Board of Directors

The Scope of Powers and Duties of the Board of Directors are as follows:

The Board of Directors realized the importance of good corporate governance (Corporate Governance Code) and complied with Chapter 3/1 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Securities and Exchange Act (No. 5) B.E. 2559

The Board of Directors was established to provide corporate governance for the best interests of the Company and shareholders, stakeholders, to be aware of the powers, duties, and responsibilities for and to comply with the policies, laws, objectives, and articles of association of the Company, board of directors' resolutions, and shareholders' meeting resolutions with responsibility, prudence, honesty like a wise man who operates the business and shall act under the same circumstances with the bargaining power without influence in the presence of the Company's director.

In terms of organization and performance of duties, the Board of Directors and management have independent roles, duties, and obligations. The level of authority to operate in each area is clearly defined because the roles and responsibilities were communicated to those involved on a regular basis, particularly because the contract to bind the Company has been set in writing to have two directors sign their names together and seal the Company's seal. According to the Company's regulations of the association, the Board of Directors may identify the person who has the ability to bind the Company along with the Company's seal.

#### Director Authorized to Sign on Behalf of the Company

All directors are authorized to sign on behalf of the Company. The signing must contain with two directors' signatures and affixed with the Company's seal except independent directors.

### Chairman of the Board and Managing Director

the Board of Directors has set the powers, duties, and responsibilities of the chairman of the Board of Directors and the managing director have been clearly defined to be a guideline for the performance of the chairman of the board and managing director with details as follows:

#### Powers, Duties and Responsibilities of the Chairman

1. Be responsible as the leader of the Board of Directors by supervising, monitoring, and overseeing the performance of the Board of Directors and sub-committees.
2. Presided over the Board of Directors meeting, in case of equal votes, the chairman of the Board of Directors shall have an additional vote as a casting vote.
3. Arrange a meeting of the Board of Directors or may assign another person to act on their behalf.
4. Preside over the shareholders' meeting as responsible for controlling the meeting by the articles of association on the meeting. In this regard, the meeting must be conducted per the sequence of agendas outlined in the notice of the meeting, unless the meeting resolves to change the order of agenda items with a vote of not less than two-thirds (2/3) of the number of shareholders attended.
5. Perform any other tasks as assigned by the Board of Directors.

#### Powers and Duties of the Managing Director

The Board of Directors has authorized the managing director to have the power to act on behalf of the Company in the business under the following conditions:

1. Has the authority to manage the business according to the objectives, articles of association, resolutions of the shareholders' meeting and all resolutions of the Board of Directors' meeting.

2. Is the one who has the authority to approve investment transactions such as purchasing assets and securities e.g. machines, equipment, transport vehicles, and financial securities, etc., within 50 million baht or equivalent for each project.
3. Has the authority to consider and approve debt incurred transactions such as borrowing money, etc., within the limit for each item not exceeding 100 million baht or equivalent.
4. Has the authority to use discretion in the ordinary course of business administration for the Company's implementation.

However, the exercise of powers of the aforementioned attorneys cannot be done, if the attorney may have a stake or may have a conflict of interest in any manner with the Company and its subsidiaries when exercising their power as mentioned

### Company Secretary

The Board of Directors appoints Ms. Petcharat Anantawichai, director and senior manager of the management accounting and finance department who has the appropriate qualifications and experience to serve as company secretary. The scope of duties and responsibilities are as follows:

1. Prepare and maintain the following documents:
  - Committee Registration
  - Board of Directors' meeting notice, meeting minutes, and Form 56-1 One Report port
  - Notice of the shareholders' meeting and the minutes of the shareholders' meeting
2. Keeping stakeholder reports as reported by directors or executives.
3. Submit a copy of the report of interest under Section 89/14 to the chairman of the Board of Directors and the chairman of the audit committee within 7 working days from the date the Company receives the report.

4. Provide preliminary advice to the committee on legal matters, registration, and regulations of the Company.
5. Contact and communicate with general shareholders to be informed of their rights of shareholders and company news.
6. Support the Company's management by the principles of good corporate governance.
7. Other actions as announced by the Capital Market Supervisory Board

## 7.3 Information about Sub-Committees

The Board of Directors has appointed three subcommittees comprising the audit committee, nomination and remuneration committee, and the Corporate Governance, Risk Management and Sustainability Committee to support and promote the management of each department of the organization for efficient operations and by the principles of good corporate governance.

### 7.3.1 Audit Committee

The Board of Directors appoints the audit committee that consists of at least 3 members, all of them must be independent directors, having qualifications and duties by the rules prescribed by the Capital Market Supervisory Board and at least 1 director has sufficient knowledge and experience to be able to review the reliability of the financial statements.

The Audit Committee's term of office is 1 year from the date of appointment. However, the Audit Committee members who complete their terms can be re-appointed as the Board of Directors deems appropriate by the audit committee set a meeting together at least 4 times a year, according to the financial reporting period to consider the financial statements and related financial reports as well as to consider the adequacy of the internal control system, internal audit, and risk management.

At present, the Audit Committee consists of 4 independent directors who are knowledgeable, expertise and the appropriate experience was appointed according to the resolution of the Board of Directors Meeting No. 4/2023 dated 28 April 2023



Name	Position in Company	Position in Audit Committee
1. Mr. Wattanachai Chotechutrakul	Independent Director	Chairman of Audit Committee
2. Mr. Thanapich Mulapruk	Independent Director	Audit Committee
3. Mrs. Aim-on Pathumarak	Independent Director	Audit Committee
4. Mr. Sujet Kowkasai	Independent Director	Audit Committee

**Remark :** Mrs. Aim-on Pathumarak is an audit committee member with knowledge and experience in accounting and taxation, sufficient to verify the accuracy and reliability of financial reports

### Scope of Powers and Duties of the Audit Committee

1. Verify accurate financial reporting according to generally accepted accounting standards and have sufficient disclosure both quarterly and yearly.

2. Review the internal control system and the internal audit system to be appropriate and effective, and consider the independence of the internal audit unit, comment on the internal audit plan and the operation of the internal audit unit, as well as approve the appointment, transfer, and dismissal of the head of the internal audit unit, or any other agency responsible for internal audits.

3. Review the Company's conduct by the law on Securities and Exchange SET regulations or laws related to the Company's business.

4. Consider, select, and propose to appoint an independent person to act as the Company's auditor and offer the remuneration of such persons, including attending the meeting with the auditor without the management attending the meeting at least once a year.

5. Consider the disclosure of connected transactions or transactions that may have conflicts of interest to comply with the laws and regulations of the Securities and Exchange Commission to ensure that such items are reasonable and to the utmost benefit of the Company.

6. Prepare a report of the audit committee to disclose in the Company's annual report by that reports must be signed by the chairman of the audit committee and must contain at least the following information:

(1) An opinion about accuracy, completeness, and reliability of the Company's financial reports.

(2) Opinions on the sufficiency of the Company's internal control system.

(3) Comments on Legal Compliance on Securities and Exchange, regulation of SET or laws related to the Company's business.

(4) Opinions on the suitability of the auditor.

(5) Comments on transactions that may subject to conflicts of interest.

(6) Number of Audit Committee Meetings and the attendance of each Audit Committee.

(7) Overall opinions or observations reached by the Audit Committee in performing their duties in accordance with the Charter. The Audit Committee

(8) Other items that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.

7. Support and follow up to ensure that the Company has an efficient risk management system.

8. In carrying out the audit committee's responsibilities, if suspected issues containing the following items or activities that may have a major impact on the Company's financial status and operating performance are discovered. The audit committee must report to the Board of Directors in order to make adjustments within the time frame determined by the audit committee.

- (1) Items that may have conflicts of interest
- (2) Corruption or abnormality, or a crucial defect in the internal control system
- (3) Violations of the law of Securities and Exchange Regulations of the Stock Exchange of Thailand or the Company's related laws If the Board has commit no action in addressing the issues within the specified period, any member of the Audit Committee may report those issues against the Securities and Exchange Commission or the Stock Exchange of Thailand

9. Review and certify the self-assessment on

anticorruption measures assessed by the Corporate Governance Division, to ensure that the Company has various anti-corruption systems as reported in the selfassessment form of the Thai Institute of Directors Association (IOD).

10. Perform any other tasks as assigned by the Board of Directors.

### 7.3.2 Nomination and Remuneration Committee

The Board of Directors has appointed the nomination and remuneration committee with a term of office is 1 year from the date the Board of Directors has the resolution to appoint. In 2023, the committee has been responsible for nominating qualified persons for the position of director and considering the criteria for paying remuneration to the Board of Directors and sub-committees, appropriate to the duties and responsibilities and within the limit approved by the annual general shareholders' meeting.

In 2023, the Nomination and Remuneration Committee as follows:

Name	Position in Company	Position in Nomination and Remuneration Committee
1. Mr. Pipat Paniangvait	Honorary Chairman / Director	Chairman of the Nomination and Remuneration Committee
2. Mr. Apichart Thammanomai	Chairman of the Board of Directors and Chairman of the Executive Board	Director of the Nomination and Remuneration Committee
3. Mr. Wattanachai Chotechutrakul	Independent Director	Director of the Nomination and Remuneration Committee
4. Prof. Dr. Piyamitr Sritara	Independent Director	Director of the Nomination and Remuneration Committee

**Remark :** Prof. Dr. Piyamit Srithara was appointed to be the director of the Nomination and Remuneration Committee on 28 April 2023.

### Scope of Powers and Duties of the Nomination and Remuneration Committee

1. Consider and nominate qualified persons to be the Company's directors and to present to the meeting for the Board of Directors to consider.

2. Consider and determine the amount of remuneration for the Company's directors to present to the Board of Directors for consideration, and propose to the shareholders' meeting for further approval.

3. Suggest an allocation method to pay remuneration to the Company's directors and other subcommittees to the Board of Directors within the budget approved by the shareholders' meeting by considering the performance Duties and Responsibilities

### 7.3.3 Corporate Governance, Risk Management and Sustainability Committee

The Board of Directors appointed Corporate Governance, Risk Management and Sustainability Committee. The committee consists of at least 3 members by selecting from the directors and senior executives of the Company with appropriate knowledge, abilities, and experiences.

Corporate Governance, Risk Management, and Corporate Sustainability Committee has the term of office for 1 year from the date of appointment. The committee who complete the term can be re-appointed to a new

position as the Board of Directors deems appropriate to set a meeting together at least 4 times a year, to supervise the implementation of the good corporate governance policy and to ensure effective implementation of the risk management process as a continuous system according to the specified framework, and promote sustainability operation appropriately according to the Company's sustainability strategies.

At present, the Corporate Governance, Risk Management, and Corporate Sustainability Committee consists of 9 directors who are knowledgeable, expertise and the appropriate experience was appointed according to the resolution of the Board of Directors Meeting No. 4/2023 dated 28 April 2023.

Name	Position	Position in the Corporate Governance, Risk Management and Sustainability Committee
1. Mr. Thanapich Mulaprak	Independent Director	Chairman of the Corporate Governance, Risk Management and Sustainability Committee
2. Mr. Apisate Thammanomai	Managing Director	Corporate Governance, Risk Management and Sustainability Committee
3. Dr. Pojjanee Paniangvait	Director	Corporate Governance, Risk Management and Sustainability Committee
4. Miss Saipin Kittipornpimol	Director and Assistant Managing Director	Corporate Governance, Risk Management and Sustainability Committee
5. Miss Ubolluck Luevoravinyu	Director and Assistant Managing Director	Corporate Governance, Risk Management and Sustainability Committee
6. Miss Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager	Corporate Governance, Risk Management and Sustainability Committee
7. Miss Panida Prayottawee	Director and Assistant Managing Director	Corporate Governance, Risk Management and Sustainability Committee
8. Mrs. Aim-on Pathumarak	Independent Director	Corporate Governance, Risk Management and Sustainability Committee
9. Prof. Dr. Piyamitr Sritara	Independent Director	Corporate Governance, Risk Management and Sustainability Committee

## Scope of Authority and Responsibilities of the Corporate Governance, Risk Management and Sustainability Committee

### Corporate Governance

1. Consider and give opinions on the policy of good corporate governance principles
2. Supervise the practices according to the good corporate governance policy.
3. Promote and support the Company's directors, executives, and all personnel to follow along with the good corporate governance policy.

### Risk Management

1. Consider and give opinions on policies and risk management manuals.
2. Supervise the implementation of the risk management process and system effectively and continually, according to the specified risk management framework.
3. Consider the results of the risk assessment, risk appetite and risk management plan which has been endorsed by Executive officer.
4. Supervise and follow up on the result of correction and improvement of the remaining risks to an acceptable level through the corporate governance and risk management section.
5. Build credibility with the Board of Directors in the risk management process

### Corporate Sustainability

1. Determine corporate sustainability policies and practices and follow up to operate appropriately.
2. Promote and support sustainability in every business process (ESG in-process) of the organization.
3. Supervise and conduct sustainability work of the organization to be in line with business strategy and goal, including the changing situation.
4. Supervise sustainability-related projects to complete, track and regularly evaluate for the results to be in accordance with the objectives or standards that are sustainable.
5. Build confidence for the Board of Directors in the organization's sustainability operations.

### 7.3.4 Non-Executive Directors

The Company has given importance to good corporate governance and management. Therefore, a meeting of non-executive directors is held once a year to allow non-executive directors to consider the work of the directors and executives to help build and develop strategies. Meanwhile, they are also taking responsibility for supervising and monitoring the implementation of the Company's tactics to be appropriate and sufficient.

Name	Position in Company	Position
1. Mr. Pipat Paniangvait	Honorary Chairman/Director	Chairman
2. Dr. Pojjanee Paniangvait	Director	Director
3. Mr. Pun Paniangvait	Director	Director
4. Mr. Vichai Kulsomphob	Director	Director
5. Mr. Wattanachai Chotechutrakul	Independent Director	Director
6. Mr. Thanapich Mulapruk	Independent Director	Director
7. Prof. Dr. Piyamitr Sritara	Independent Director	Director
8. Mrs. Aim-on Pathumarak	Independent Director	Director
9. Mr. Sujet Kowkasai	Independent Director	Director



## Scope of Powers and Duties of Non-Executive Directors

Non-executive directors are directors who are not executives of the Company. They must provide beneficial opinions and take into criteria as the following:

1. Strategy: Stimulate the creativity and strategy development.
2. Performance: Consider and supervise the performance of the management by the goals and objectives, as well as to ensure that the management has a performance report regularly.
3. Risk: assures and satisfaction that the financial information is definite and complete. The Company's financial controls and risk management systems also must be concise, sufficient, and explainable.

4. People: Participate in determining the level of remuneration for executive directors appropriately and has a role in appointing and relocating high-level executives according to the succession planning.

### 7.3.5 The Investment Committee

Investment board Established by the Board of Directors consisting of the board of directors, executives, or persons with knowledge, expertise, and experience in investment management, risk management, or securities analysis to supervise and determine the company's investment plan in accordance with the investment policy, risk management policy, and return on investment is important, with a tenure of 1 year as follows:

Name	Position in Company	Position
1. Mr. Vichai Kulsomphob	Director	Chairman of the Investment Committee
2. Mr. Apisate Thammanomai	Managing Director	Investment Committee
3. Mr. Pun Paniangvait	Director	Investment Committee
4. Miss Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager	Investment Committee
5. Miss Saipin Kittipornpimol	Director and Assistant Managing Director	Investment Committee
6. Miss Ubolluck Luevoravinyu	Director and Assistant Managing Director	Investment Committee

## Scope of Duties and Responsibilities of the Investment Committee

1. Consider the investment plan in accordance with the investment policy approved by the Board of Directors.
2. Supervise the company's investment to ensure that it is in accordance with the investment policy and investment plan.
3. Supervise good governance, transparency, and the prevention of conflicts of interest related to investment transactions.

4. Review and adjust the investment plan to suit the changing situation.
5. Report investment results to the Board of Directors for acknowledgment.
6. Perform any other tasks as assigned by the Board of Directors.

## 7.4 Executive Information

### 7.4.1 List of Name and Position of Executives

On 31<sup>st</sup> December 2023, the management of the Company are executives according to the definition of the Office of the Securities and Exchange Commission. There are 7 persons as follows:

Name	Position in Company
1. Mr. Apichart Thammanomai	Chairman of the Board of Directors and Chairman of the Executive Board
2. Mr. Apisate Thammanomai	Managing Director
3. Miss Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager
4. Miss Panida Prayottaweekij	Director and Senior Production Manager
5. Miss Saipin Kittipornpimol	Director and Assistant Managing Director
6. Miss Ubolluck Luevoravinyu	Director and Assistant Managing Director
7. Mrs. Malee Tangjaisanong	Advisor

Details of directors and executives are in Attachment 1.

Executive Committee' remuneration means Executive Committee and the first four executives after the deputy managing director and all executives as every director in the fourth level.

(Unit : Baht)

Remuneration	Amount	
	2023 (7 Person)	2022 (7 Person)
Total Salary	28,421,480	27,870,230
Total Bonus	6,405,400	6,820,370
Contribution to Provident Fund	285,074	373,512
<b>Total</b>	<b>35,111,954</b>	<b>35,064,112</b>

## Possessing of the Company's Securities of Directors and Executives

Directors and executives of the company holding the Company's securities as of 31 December 2023, and 2022 are as follows:

Board of Directors and Executives	Number of Shares as at 31 December (par value 1 Baht)		
	2023	2022	Change
<b>Securities Holder-Director</b>			
1. Mr. Pipat Paniangvait	14,896,150	14,896,150	-
Spouse and children under legal age	63,250	63,250	-
2. Mr. Apichart Thammanomai	1,819,970	1,819,970	-
Spouse and children under legal age	1,500,000	1,500,000	-
3. Mr. Apisate Thammanomai	3,344,810	3,344,810	-
Spouse and children under legal age	-	-	-
4. Mr. Vichai Kulsomphob	100,000	100,000	-
Spouse and children under legal age	-	-	-
5. Miss Petcharat Anantawichai	50,000	50,000	-
Spouse and children under legal age	-	-	-
6. Miss Panida Prayottaweekij	25,000	25,000	-
Spouse and children under legal age	-	-	-
7. Dr. Pojjanee Paniangvait	1,234,480	1,234,480	-
Spouse and children under legal age	-	-	-
8. Mr. Pun Paniangvait	276,870	276,870	-
Spouse and children under legal age	-	-	-
9. Miss Saipin Kittipornpimol	-	-	-
Spouse and children under legal age	-	-	-
10. Miss Ubolluck Luevoravinyu	-	-	-
Spouse and children under legal age	-	-	-
11. Mr. Wattanachai Chotechutrakul	-	-	-
Spouse and children under legal age	-	-	-
12. Mr. Thanapich Mulapruk	135,000	135,000	-
Spouse and children under legal age	-	-	-
13. Prof. Dr. Piyamitr Sritara	-	-	-
Spouse and children under legal age	-	-	-
14. Mrs. Aim-on Pathumarak	-	-	-
Spouse and children under legal age	-	-	-
15. Mr. Sujet Kowkasai	-	-	-
Spouse and children under legal age	-	-	-
<b>Securities Holder-Advisor</b>			
1. Mrs. Malee Tangjaisanong	463,400	483,220	(19,820)
Spouse and children under legal age	-	-	-
<b>Total</b>	<b>23,908,930</b>	<b>23,928,750</b>	<b>(19,820)</b>

## 7.5 Employees Information

### Personnel

As of 31 December 2023, the number of employees of the Company is divided by the main field as follows:

(Unit : Person)

Main Department	2023	2022
1. Production	2,146	2,167
2. Sales	2,172	2,081
3. Accounting and Financial	83	85
4. Engineering	189	176
5. Marketing	109	90
6. Other	76	72
<b>Total</b>	<b>4,775</b>	<b>4,671</b>

### Personnel's Remuneration

(Unit : Baht)

Remuneration	2023	2022
Total Salary	792,429,276.84	792,343,380.00
Total Bonus	138,692,423.00	144,274,292.00
Contribution to Provident Fund	23,153,064.75	27,747,789.00
<b>Total</b>	<b>954,274,764.59</b>	<b>964,361,461.00</b>

In addition, the Company and employees have jointly established a provident fund according to the Provident Fund Act, B.E. 2530 established on 11 June 1990, which is to encourage members to have savings for future welfare, as well as being a guarantee for members and their families upon their death, becoming incompetent, resigned from the Company or complete the working period according to the Company regulations by the name "Employee Provident Fund, President Bakery Public Company Limited,

which has been registered", with net assets 488,606,396.05 baht, with TISCO Asset Management Company Limited as the fund manager. The Company also encourages employees to have their own place of residence, causing stability in life and family in cooperation with the Government Housing Bank since 15 October 1990 at a lower interest rate than the market. Currently, 483 employees benefit from such home loaning.



## **Personnel Development and Promotion Policy**

The Company is committed to improving knowledge, talents, and skills to continuously and consistently diversify of work and it places a high priority on the development of its workforce at all levels. All of its employees are viewed as significant assets by the Company because it plays a significant role in driving operations and the Company's emphasis on business development to meet the goals established. To support the continuance of operations in accordance with corporate values, it is vital to continually develop the potential of present employees and new generation leaders, along with the training of personnel with knowledge and skills, a broad range of skills and the ability to develop an accurate understanding, improve working abilities across all domains, and alter working attitudes in order to be able to deal with and adjust to constant change in order to foster creativity and keep up with innovation and modern technology as a change agent. Bespoke design is used to create an integrated analytical human resource development plan. Individual development plans that offer training and assessment as part of creating opportunities for career growth along the career path efficiently and effectively with an action plan to develop personnel and being reviewed annually by management. Development for both individuals, departments and organizations.

Human resource development policies are created by the Company which has set up classes to foster knowledge, competence and skills needed for work both now and in the future for employees. In addition to raising skill levels and talents in working, it also increases potentials and the advancement of individual workers.

1.) Employees have a fundamental duty to seek knowledge and enhance their own abilities at all times. Executives and supervisors are in charge of creating a development plan for staff members to ensure they have the operational capability to support the service.

2.) The Company supports, promotes, and pushes for the development of all employees to be able to effectively performing their current tasks and promotes the development of employees' potential to be more capable, the ability to work in the future including the development of leadership and skills necessary to manage the management efficiency of departments and organization.

The company also provides training programs for both internal and external audiences as well as a prospective development model. Plans for developing each individual's capacity are also made (Individual Potential Development: (IDP) to encourage professional advancement among employees, and plans for Individual Performance Improvement ( IPM) for a more sustainable development by classifying the training programs under the following categories;

### **Annual Development and Training for Employees**

The company has created a policy to enhance employee potential, support and encourage their career growth by starting from training needs survey process which allows all departments to use surveys, determined that the department's staff needs to have their potential developed to evaluate the staff capacity development plan by training and developing every year. Meetings will be held to plan training and personnel development to examine, enhance, and support long-term plans and current development according to the curriculum that is analyzed from the organization's policies through vision, mission, and core values as well as surveying and analyzing the need for training of various departments in each area

- **Course for preparing new employees is orientation** for new employees in order to allow them to learn about the Company's vision, mission, values, business practices of the Company, good corporate governance principles, anti-corruption, corporate data protection, basic quality activities, such as a 5 S activity, internal quality system and good hygiene practices for food production (GHPs : Good Hygiene Practice) hazard and critical analysis systems which must be controlled ( Hazard Analysis Critical Control Point : HACCP) additionally, work safety, occupational health, and work environment, as well as necessary information for the operations such as regulations, rules and responsibilities that help new employees to quickly adapt to the environment and the company's work also having the chance to properly connect with colleagues who are also new employees.

- **Food quality and safety system courses** for employees to learn about standards and guidelines for consumers of all ages, races, and faiths to be able to purchase items that are of high quality, sanitary and safety through central department's training. Moreover, gaining knowledge from individual's own department for workers to be knowledgeable, comprehend, and having more talents as well as having experience in the method. It is a course designed to improve knowledge, talents, labor, abilities and skills annually through the process of learning and actual operations like good hygiene standards in food production (GHPs: Good Hygiene Practice) hazard and critical analysis systems which must be controlled (Hazard Analysis Critical Control Point: HACCP) advanced for managers, a yearly evaluation for personnel at all levels of responsibility, criteria for halal food production, and Food Defense Plan etc. In this regard, the company has undergone inspection and quality of work system certification in the product's manufacturing facility along with the performance of production workers to fulfill the legal obligations based on worldwide standards for wholesome food production including certification system of safety precautions. Also, evaluating the food safety risk based on the demands of every consumer group when such certification can effectively give the product credibility.

- **Work Safety Course and Emergency Response Plans** for employee's learning, technique and procedure comprehension for employee, coworker and company's asset safety including emergency response protocols; a preparation for which adaptability under varied circumstances such as first aid, life saving, fire drills and fire evacuation, safety at work, hoist safety when using an electric forklift, safety while driving, safety at work with new equipment, control and lessen traffic collisions etc. There is also the training provided by the Occupational Safety and Health Committee and work environment safety at work for contractors' safety, officer, and supervisor level.

- **On Job Training (OJT)** of internal divisions is their job-specific training so that employees can experience actual work along with continue learning by having employment experience as a crucial learning tool and acquiring work skills from the company. All organizational departments have created training plans for actual work for employees to fully comprehend how their operations are carried out through analysis and resolving job problems arising from necessary operational procedures. Also going over the information for the purpose of developing skills so that department's staff will have greater knowledges and abilities.

- **Training that focuses on specific development** for encouraging employees to learn in the areas that are relevant to the work performed in order to become skillful such as machinery and production line upkeep, minimize equipment crashes (Break down), cost management and waste reduction designed as a joint training program between 5 S activity and Total Productive Management (TPM) through the "5 S and TPM Synergy" model for senior supervisors and to urge staff to be sensory specialists (Sensory Expert) by knowing the raw components used in manufacture and being able to distinguish the products from touch, smell, taste, visibility and hearing from the tested product. Including understanding the raw materials utilized in manufacture training, skill development as well as the project management knowledge (Project Management) too gain knowledge, understanding and can

be a professional and effective project manager, maintenance of air compressors (Air Compressor), Preventive maintenance of the chiller (Chiller), Developing supervisory skills by writing work instructions (Workflow), job presentation techniques, job teaching and effective supervisory procedures for managers to learn and comprehend roles, responsibilities also the use of work applications, management of risk (Risk Management) to enhance productivity and manage the risk to be under acceptable criteria (Risk Appetite). As well as expanding the anti-corruption alliance to develop the sustainable organization.

- **Training with external agencies.** The company sends employees to external agencies for training. Specialized training programs required by the department or experts with specific knowledge to give employees the opportunity to gain experience new things, share ideas, and develop even more practical skills which including taking work safety training in the air for being a licensor, supervisor, helper and worker etc.

However, in 2023, the situation of the epidemic of corona virus 2019 (COVID-19) still needs to be carefully watched. As a result, operations related to learning and training are limited. The company therefore supports the creation of learning materials, providing more online forms to always impart information to employees and self-learning.

## 7.6 Other Important Information

### 7.6.1 List of Company Secretary Persons assigned to be directly responsible in the Supervision of Accounting Head of Internal Audit

- **Company Secretary**

The Board of Directors considers and appoints knowledgeable, competence, and appropriateness person as the company secretary to help support related work to be carried out with efficiency and effectiveness as required by law. The Board of Directors has appointed Ms. Petcharat Anantawichai as the company secretary since 28 April 2023. The term of office is 1 year at a time The scope of duties and responsibilities of the company secretary are on page 93 and Attachment 1.

- **Persons assigned to be directly responsible for the supervision of bookkeeping**

Miss Jirawan Komolcharoensiri, Managing Accounting Manager Department, who is qualified according to the criteria specified in the announcement of the Department of Business Development, has been appointed to be a supervisor of the Company's bookkeeping, has to inform the details related to accounting to be accurate and complete according to accounting and financial reporting standards and develop professional knowledge continually according to guidelines, methods, and periods required by law.

- **Head of Internal Audit**

The Audit Committee has considered and appointed Mr. Pratchaya Sukkerd, Assistant Head of Internal Audit Department, as the Secretary of the Audit Committee, who is responsible for auditing and evaluating the internal control of various activities in the Company consistent with the purpose and Company goals and has other audit duties as assigned by the Audit Committee. The details about the person holding the position of Head of Internal Audit appear in Attachment 3

### 7.6.2 List of Head of Investor Relations

As for investor relations, Ms. Petcharat Anantawichai, Director and Senior Management Accounting Department and Finance Department Manager, has been assigned to communicate with institutional investors, shareholders, and analysts. Investors can contact the Company for information about the Company by calling 02-209-3000 ext. 3444 or at the website [www.farmhouse.co.th](http://www.farmhouse.co.th) or the e-mail address [petcharat.ana@pbplc.co.th](mailto:petcharat.ana@pbplc.co.th).

In addition, the Company and companies in the Sahapat Group together with the Stock Exchange of Thailand, organized “Analysts, Investors, Meet Sahapat Group No. 12” event on Friday, June 30, 2023 at the BITEC Convention Center, Bangna, Bangkok.

### 7.6.3 Auditor’s Remuneration

The Company’s auditors for the year 2023 is Miss Sathida Rattananurak, Certified Public Accountant Registration No.4753 from EY Office Company Limited. The Auditor fees are paid by the Company to EY Office Limited as follows:

#### Audit fee

The Company pays the audit fees to

- The Company’s auditor in 2023 with a total amount of 1,210,000 baht.
- Inspection for a specific purpose-Conditional inspection of the promotional certificates specified by Thailand Board of Investment, totaling 1 certifications, amounting to 92,500 baht.



## Section 2 Corporate Governance

# 8. Report on Key Performance in Corporate Governance

## 8.1 Summary of the Board of Directors' Performance in the Past Year

### 8.1.1 Recruitment, Development and Evaluation of the Performance of the Board of Directors

#### (1) Independent Director

Independent directors, appointed by the Board of Directors, consists of at least 3 members, all of whom must be independent directors who have qualifications and duties in accordance with the criteria set by the Capital Market Supervisory Board.

The Independent Committee has a term of office of 1 year from the date of appointment. However, directors of the Audit Committee who completed the term

can be re-appointed as the Board of Directors deems appropriate. The Independent Committee is required to set up a joint meeting at least 2 times in a year to protect the interests of all shareholders equally, prevent conflicts of interest, review operations, and give opinions independently.

At present, the Independent Committee consists of 5 independent directors who have knowledge, expertise, and appropriate experiences. They are qualified according to the definition of independent directors specified by the Capital Market Supervisory Board. They were appointed according to the resolution of the Board of Directors' meeting No. 4/2023 on April 28, 2023.

Name	Position	Position in Independent Director
1. Mr. Wattanachai Chotechutrakul	Independent Director	Chairman
2. Mr. Thanapich Nulapruk	Independent Director	Independent Director
3. Prof. Dr. Piyamitr Sritara	Independent Director	Independent Director
4. Mr. Sujet Kowkasai	Independent Director	Independent Director
5. Mrs. Aim-on Pathumarak	Independent Director	Independent Director

#### Definition of Independent Committee

Independent directors must have following qualifications of the Securities and Exchange Commission and the Stock Exchange of Thailand, which require at least one-third of all directors to be independent directors but must not be fewer than three people.

Qualifications of independent directors of the Company are in compliance with the requirements of the Capital Market Supervisory Board as follows:

1. Holding no more than 0.5% of the total voting shares of the Company, parent company, subsidiary company, associated company, major shareholder, or controlling person of the company, including shares held by related person of that independent director.

2. Not being or used to be a director who participates in management, employees, advisors who receive a regular salary, or has control over the Company, parent company, subsidiary company, associated company, subsidiary of the same level, major shareholder, or controller of the Company, unless the relationship has ended for at least 2 years before the date of appointment as an independent director. However, such prohibited characteristics do not include the case where the independent director used to be a government official or advisor of a government agency that is a major shareholder or controller of the Company.

3. Not a person who has a blood relationship or by legal registration in the form of a father, mother, spouse, siblings, and children, including spouses of children of executives, major shareholders, controllers, or the person who will be nominated as an executive, or the person who has the power to control the Company or its subsidiary

4. Does not have or had a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the company in a manner that may impede the exercise of one's independent judgment, including not being or having been a significant shareholder or a person with control authority over a person having a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the Company, unless the aforementioned nature has been terminated for not less than 2 years before the date of appointment as an independent director.

5. Does not have or had a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the Company in a manner that may impede the exercise of one's independent judgment, including not being or having been a significant shareholder or a person with control authority over a person having a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the Company, unless the aforementioned nature has been terminated for not less than 2 years before the date of appointment as an independent director.

6. Not or has not been a professional provider of any kind. This includes serving as a legal or financial advisor which receives service fees of more than 2 million baht per

year from the company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the company and is not a significant shareholder controller or a partner of that professional service provider unless the aforementioned nature has been terminated for not less than 2 years before the date of appointment as an independent director.

7. Not being a director who has been appointed to represent the Company's directors, major shareholder, or shareholders who are related to major shareholders.

8. Does not operate businesses with the same nature and are in significant competition with the Company's business or a subsidiary, be a significant partner in the partnership or being a director who takes part in the management, an worker, an employee, an advisor who receives a regular salary or hold more than 1 percent of the total number of shares with voting rights of other companies that operate businesses of the same nature and are in significant competition with the business of the Company or its subsidiary company.

9. There is no other nature that prevents the expression of an independent opinion on the operations of the Company.

However, if the Capital Market Supervisory Board announces the change in the qualifications of independent directors, the Company's independent directors must possess the qualifications as announced in all changes.

After being appointed as an independent director with the characteristics (1) to (9), the independent director may be assigned by the Board of Directors to decide on the operation of the Company, parent company, subsidiary company, associated company, same level subsidiary major shareholder, or the person who has the power to control the Company by having a decision in the form of a collective decision.

## Scope of Duties and Responsibilities of Independent Director Committee

The independent director committee with the authority and responsibilities to express their opinions independently by their appointed task in order to equally protect benefits of all shareholders and to prevent conflict of interests, including reviewing work performance, giving opinions and making decisions independently in attending meetings with the Board of Directors, when considering voting on matters or transactions that are significant.

## **(2) Nomination and Appointment of Directors and Chief Executive Officer**

The Nomination Committee is responsible for selecting qualified persons to serve as directors and propose to the Board of Directors and/or the shareholders for further consideration.

In this regard, for the selection of the Company's directors to replace those retiring by rotation, which must be passed by the shareholders' meeting to appoint them, the directors will use a majority vote in accordance with the rules and procedures as follows:

1. Each shareholder has a vote equal to 1 share per 1 vote.
2. Each shareholder must use all available votes in accordance with 1. to elect one person or many people as directors but cannot divide the votes to any person to any extent.
3. Person who received the highest number of votes in descending order is to be elected as directors equal to the number of directors the shareholders' meeting must elect at that time. In the case of persons elected in descending order have equal votes exceeding the number of directors to be elected by the shareholders' meeting at that time, The Chairman of the meeting shall have a casting vote.

Additionally, the company also gives the opportunity for minority shareholders to have the right to nominate individuals to be considered for election as the Company's director at the general meeting of shareholders in accordance with the specified criteria which can be viewed from the company's website [www.farmhouse.co.th](http://www.farmhouse.co.th)

### **Chief Executive Officer Recruitment**

In the selection of individuals for positions such as managing director, the Board of Directors will select people who are qualified and suitable. They knowledge, appropriate, abilities, skills, and experience that are beneficial to the

Company's operations. The individual must understand the Company's business very well and be able to manage the work to achieve the objectives according to the goals that the Board of Directors can set.

### **Development of Directors and Executives**

Directors and executives place great importance on attending training courses or participating in seminar activities that increase their knowledge through continuous work and have applied such knowledge to their duties. In 2023, directors and executives participated in training courses related to operations on important topics such as TFRS 2566 , Consolidate Financial Statement, Update TAX 2023 , AEC Business Forum 2023 , SEC Capital Market Symposium 2023 , Getting ahead of the changing consumer and Disruption, seminars on sustainability such as Green Economy : Next growth and survive, Multilateral Collaboration for Sustainability etc.

### **Self-Assessment of the Board of Directors and Sub-committees**

The Board of Directors has provided a self-assessment of the performance. Each director has carefully and independently assessed the performance of the Board of Directors, both individually and in all sub-committees, by using the concept of the assessment form based on the example published by the Stock Exchange of Thailand. Such assessment aims to

1. Help consider the review of the work, problems, and obstacles during the past year
2. Make the work of the board more productive because they clearly know their responsibilities
3. Help improve the relationship between the Board of Directors and the Management

### **Process and Criteria of the Assessment**

- The Company's performance appraisal form consists of 5 sets, 1 set of a performance appraisal form for the Board of Directors, 1 set for individual directors, and for 4 subcommittees, totaling 3 sets (Audit Committee, Nomination and Remuneration Committee, and the Governance and Risk Management Committee).

- Set a schedule at the end of the annual performance cycle. The secretary of every committee is responsible for sending the performance appraisal form to all directors, and when the committees have completed the assessment form and returned it to the secretary for points calculation.
- Report the average score for each topic assessed with a summary of the overall average score. The secretary of each committee will report to each committee for acknowledgment and record the information in the minutes.
- Criteria for performance appraisal with the calculation and scoring criteria of the performance appraisal form as follows:

1. Performance Appraisal Form scoring criteria

Agreement Level	Score
• Highest Level	5 points
• High Level	4 points
• Average Level	3 points
• Low Level	2 points
• Lowest Level	1 point

2. Measurement criteria for the summary of the overall average score of the performance appraisal:

Criteria	Average Total Score (Percent)
• Excellent	More than 90 percent
• Good	More than 70 percent
• Fair	More than 50 percent
• Needs improvement	Equal to or less than 50 percent

### Self-assessment of the entire Board of Directors

In 2023, at the Board of Directors' Meeting No.12/2023, held on 18 December 2023, each director assessed the performance of the Board of Directors as a whole. The assessment is divided into 3 aspects:

1. Roles, duties, and responsibilities of the Board of Directors
2. Independence of Directors
3. Relationship with management and stakeholders

### Board of Directors Self-Assessment

In 2023, at the Board of Directors' Meeting No. 12/2023, held on 18 December 2023, each director assessed the performance of the Board of Directors as individual person. The assessment is divided into 3 aspects:

1. Roles, duties, and responsibilities of Company Directors
2. Duties of the Company's Directors
3. Self-development of Company Directors



## Sub-Committee Self-Assessment

The Company has provided an assessment of the performance of all sub-committees for the year 2023. Each sub-committee members assesses the performance of the sub-committees in which they hold office. The assessment is divided into 3 aspects:

1. Roles, duties, and responsibilities of Company Directors
2. Duties of the Company's Directors
3. Self-development of Company Directors

Summary of the overall assessment results of the entire Board of Directors on an individual basis and by sub-committees: good to very good level.

**Summary** of the overall assessment results of the entire Board of Directors on an individual basis and by sub-committees: good to very good level.

## Number of Companies in which Directors hold Offices

The Company has disclosed information and details on the position of Directors, Executives, and Company Secretary in other companies in Attachment 1. At present, the Board of Directors does not have directorships in more than 5 listed companies.

## Succession Plan

The Company has prepared a succession plan to prepare if management is unable to work, for the Company's operations to continually and always increase efficiency. The Company has set a policy for the succession of positions in various functions by preparing personnel with the knowledge and abilities to continuously replace and perform duties. If the organization changes the position to move to a higher position or if the employee vacates the former position by resignation or retirement, which are detailed as follows:

1. Arrange for lower-level executives to have the opportunity to be close to and work with senior executives both at their level and across lines of work.
2. Prepare personnel with specialized abilities to have more comprehensive management capabilities for high-level management tasks.
3. Prepare senior management to take on other lines of work if necessary.
4. Designate potential subordinate executives as successors and position them accordingly.
5. Set up various committees for the development of work and the potential of various frameworks systematically.
6. Organize training for senior and middle-level executives to have a sense of responsibility, and honesty towards the organization and to look at the organization as a whole.
7. Provide training for executives in each department to have more potential. Practice planning and fostering the use of systems thinking for subordinate managers.
8. Develop secondary executives to prepare plans and systematically present them.
9. Develop the mental quality of executives at all levels, adhere to Dharma, reduce conflicts for treating each other, live together in society happily.

## 8.1.2 Meeting Attendance and Remuneration of the Board of Directors

Name	Position	Board of Directors Meeting for year 2023						
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance, Risk Management and Sustainability Committee	Investment Committee	AGM	Non-Executive Director
1. Mr. Pipat Paniangvait	<ul style="list-style-type: none"> <li>Honorary Chairman / Director</li> <li>Chairman of the Nomination and Remuneration Committee</li> </ul>	12/12		2/2			1/1	1/1
2. Mr. Apichart Thammanomai	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors and Chairman of the Executive Board</li> <li>Director of the Nomination and Remuneration Committee</li> </ul>	12/12		2/2			1/1	
3. Mr. Apisate Thammanomai	<ul style="list-style-type: none"> <li>Managing Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> <li>Investment Committee</li> </ul>	12/12			4/4	7/7	1/1	
4. Mr. Vichai Kulsomphob	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of Investment Committee</li> </ul>	12/12				7/7	1/1	1/1
5. Miss Petcharat Anantawichai	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> <li>Investment Committee</li> <li>Company Secretary</li> </ul>	12/12			4/4	7/7	1/1	
6. Miss Panida Prayottaweekij	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	12/12			4/4		1/1	
7. Dr. Pojjanee Paniangvait	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	12/12			4/4		1/1	1/1
8. Mr. Pun Paniangvait	<ul style="list-style-type: none"> <li>Director</li> <li>Investment Committee</li> </ul>	12/12				7/7	1/1	1/1
9. Miss Saipin Kittipornpimol	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> <li>Investment Committee</li> </ul>	12/12			4/4	7/7	1/1	

Name	Position	Board of Directors Meeting for year 2023						
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance, Risk Management and Sustainability Committee	Investment Committee	AGM	Non-Executive Director
10. Miss Ubolluck Luevoravinyu	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> <li>Investment Committee</li> </ul>	12/12			4/4	7/7	1/1	
11. Mr. Wattanachai Chotechutrakul	<ul style="list-style-type: none"> <li>Chairman of Independent Director and Chairman of Audit Committee</li> <li>Director of the Nomination and remuneration Committee</li> </ul>	12/12	4/4	2/2			1/1	1/1
12. Mr. Thanapich Mulapruk	<ul style="list-style-type: none"> <li>Independent Director and Audit Committee</li> <li>Chairman of the Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	12/12	4/4		4/4		1/1	1/1
13. Prof. Piyamitr Sritara	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Director of the Nomination and remuneration Committee</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	12/12		1/1	2/2		1/1	1/1
14. Mrs. Aim-on Pathumarak	<ul style="list-style-type: none"> <li>Independent Director and Audit Committee</li> <li>Corporate Governance, Risk Management and Sustainability Committee</li> </ul>	12/12	4/4		4/4		1/1	1/1
15. Mr. Sujet Kowkasai	<ul style="list-style-type: none"> <li>Independent Director and Audit Committee</li> </ul>	9/9	3/3				1/1	1/1
16. Prof. Dr. Teeravuti Boonyasopon	<ul style="list-style-type: none"> <li>Chairman of Independent Director and Chairman of Audit Committee</li> </ul>	3/3	1/1				1/1	
<b>Advisor</b>								
1. Mrs. Malee Tangjaisanong	Advisor	12/12						

**Remark :** Mr. Sujet Kowkasai to be the director of the Board of Directors on 28 April 2023.  
Prof. Dr. Piyamit Srithara to be the director of the Nomination and Remuneration Committee and the Corporate Governance, Risk Management and Sustainability Committee on 28 April 2023.  
Prof. Dr. Teravuti Boonyasopon was retired by rotation on 28 April 2023.

## Directors' Remuneration

(1) Monetary compensation for the year ended 31 December 2023

(1.1) Remuneration in the form of meeting allowance, gratuity of directors and advisors, and Chairmanship fees Company Director

(Unit : Baht)

Remuneration	2023		2022	
	Number of Director	Amount	Number of Director	Amount
Director and Advisor Remuneration	17	13,416,000	16	15,150,000
<b>Total</b>		<b>13,416,000</b>		<b>15,150,000</b>

The remuneration for 2023 will be paid per meeting attendance, and the gratuity will be paid once a year. Both will be included in the Board of Directors' remuneration, separated by individual details as follows:

Unit: Baht)

Name	Position	Remuneration					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance, Risk Management and Sustainability Committee	Investment Committee	Total
1. Mr. Pipat Paniangvait	• Honorary Chairman / Director	1,344,000		24,000			1,368,000
	• Chairman of the Nomination and Remuneration Committee						
2. Mr. Apichart Thammanomai	• Chairman of the Board of Directors and Chairman of the Executive Board	1,344,000		20,000			1,364,000
	• Director of the Nomination and Remuneration Committee						
3. Mr. Apisate Thammanomai	• Managing Director	1,120,000			40,000	40,000	1,200,000
	• Corporate Governance, Risk Management and Sustainability Committee						
	• Investment Committee						
4. Mr. Vichai Kulsomphob	• Director	670,000				48,000	718,000
	• Chairman of the Investment Committee						



Unit: Baht)

Name	Position	Remuneration					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance, Risk Management and Sustainability Committee	Investment Committee	Total
5. Miss Petcharat Anantawichai	• Director	770,000			40,000	40,000	850,000
	• Corporate Governance, Risk Management and Sustainability Committee						
	Management Committee						
	• Investment Committee						
	• Company Secretary						
6. Miss Panida Prayottaweekij	• Director	770,000			40,000		810,000
	• Corporate Governance, Risk Management and Sustainability Committee						
7. Dr. Pojjanee Paniangvait	• Director	670,000			40,000		710,000
	• Corporate Governance, Risk Management and Sustainability Committee						
8. Mr. Pun Paniangvait	• Director	670,000				40,000	710,000
	• Investment Committee						
9. Miss Saipin Kittipornpimol	• Director	770,000			40,000	40,000	850,000
	• Corporate Governance, Risk Management and Sustainability Committee						
	• Investment Committee						
10. Miss Ubolluck Luevoravinyu	• Director	770,000			40,000	40,000	850,000
	• Corporate Governance, Risk Management and Sustainability Committee						
	• Investment Committee						
11. Mr. Wattanachai Chotechutrakul	• Chairman of Independent Director and Chairman of Audit Committee	770,000	46,000	20,000			826,000
	• Director of the Nomination and remuneration Committee						

Unit: Baht)

Name	Position	Remuneration					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance, Risk Management and Sustainability Committee	Investment Committee	Total
12. Mr. Thanapich Mulapruk	• Independent Director and Audit Committee	770,000	40,000		48,000		858,000
	• Chairman of Corporate Governance and Risk Management Committee						
13. Prof. Piyamitr Sritara	• Independent Director Corporate Governance, Risk Management and Sustainability Committee	670,000		10,000	20,000		700,000
	Nomination and Remuneration Committee						
14. Mrs. Aim-on Pathumarak	• Independent Director • Corporate Governance, Risk Management and Sustainability Committee	670,000					670,000
15. Mr. Sujet Kowkasai	• Independent Director and Audit Committee	640,000	30,000			670,000	
16. Prof. Dr. Teeravuti Boonyasopon	• Chairman of Independent Director and Chairman of Audit Committee	40,000	12,000				52,000
<b>Total</b>		<b>12,458,000</b>	<b>168,000</b>	<b>74,000</b>	<b>348,000</b>	<b>248,000</b>	<b>13,296,000</b>

Name	Position	Remuneration
1. Mrs. Malee Tangjaisanong	Advisor	120,000

**Remark :** Mr. Sujet Kowkasai to be the director of the Board of Directors on 28 April 2023.

Prof. Dr. Piyamitr Srithara to be the director of the Nomination and Remuneration Committee and the Corporate Governance, Risk Management and Sustainability Committee on 28 April 2023.

Prof. Dr. Teeravuti Boonyasopon was retired by rotation on 28 April 2023.

### 8.1.3 Supervising The Operations of Subsidiaries and Associate Company

The Company has established a policy to supervise subsidiaries and associated companies. The Company has stipulated regulations for the person appointed by the Company to supervise the operation of the connected transaction, acquisition or disposition of assets, or any other crucial transactions, and apply the rules relating to the disclosure of information and make the above transactions in the same manner as the Company's regulations. This includes supervising the data collection and accounting records by using the same accounting policy, verifiable and compiled to prepare financial statements showing investments under the equity method in time.

### 8.1.4 Monitoring to Ensure Compliance with Corporate Governance Policies and Guidelines

#### 1. Prevention of Conflicts of Interest

To ensure good administration and to avoid conflicts of interest, the Board of Directors has established the following measures regarding connected transactions with individuals who may have a conflict of interest as follows

1. In the case of a regular transaction and continuation to do so in the future, Administration and Management Department can operate it and must explain that the quoted price is fair. The quality of products and services is acceptable and other conditions necessary to be brought to arbitration in making such a transaction. The Administration and Management Department have considered that it brings the utmost benefit to the Company, which must collect various documentary evidence to be used in the explanation to the Audit Committee.

2. If a transaction is not normal but substantial and if the Company has a transaction in this manner with individuals with whom it may have future conflicts, it must be considered by the Board of Directors to provide comments on the appropriateness of such a list. If the Audit Committee lacks expertise in reviewing connected transactions, the Audit Committee will request that the Company appoint a person with specialized knowledge, such as an auditor, a property appraiser, or a law firm, who is not affiliated with any of the companies or individuals that may have a conflict of interest, to provide opinions on such connected transactions.

## 2. Supervision of Inside Information Usage

The Company has policies and procedures for supervising executives in using the Company's information for personal benefit as follows:

- Educate directors and executives about their duties to report their securities holdings, their spouses and minor children, and penalties under the Securities and Exchange Act B.E. 2535 and according to the regulations of the Stock Exchange of Thailand
- Executives are required to report any changes in securities holdings to the Office of the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535. Furthermore, they must submit a copy of the report to the company on the same day it is submitted to the Securities and Exchange Commission.
- Management is prohibited from using undisclosed inside information to trade in the Company's securities before it is made available to the public and is prohibited to disclose material information to others as part of the Company's work regulations.
- The Company's directors, executives, and employees who are in the internal information department are prohibited from trading in the Company's securities during the first month before the disclosure of the financial statements to the public and for 24 hours after the disclosure of the financial statements.
- The Company has determined a policy that the Company's directors and senior executives shall inform the Chairman of the Board regarding the Company's stock trading at least 1 day in advance before trading.

The Company Secretary is responsible for sending the letter to officially inform all directors and executives of the period announced as the period of prohibition of trading in the Company's securities before the publication of the quarterly and annual financial statements via the Stock Exchange of Thailand's news release system

### 3. Anti-corruption

The Company is the leader in bakery production and distribution which creates the highest popularity and satisfaction for consumers as well as provides confidence to all groups of stakeholders so a management system with effectiveness, transparency, and a corporate governance code is developed. The Company shall not accept any form of corruption both directly and indirectly. It, therefore, signed a declaration of intent to join the project "Thai Private Sector Collective Action Coalition Against Corruption" on April 22, 2016. The membership was renewed firstly on November 4, 2019, and secondly on September 30, 2022, which will expire on December 31, 2025. The Company shall continue to comply with the anti-corruption policy with the awareness that corruption is a major obstacle to the development of the organization and the country.

#### Anti-Corruption Policy

The Company has established and published the anti-corruption policy to employees, business partners, and all stakeholders, both in the form of written documents and disclosures on the Company's website, as the Company's clear practices and requirements for all directors, executives, and employees to comply with. The practices are as follows:

1. The Company does not act and/or support bribery by giving or receiving gifts, hold a business entertainment, sponsorship, donation, political support, implementation that may cause conflicts of interest, facilitation payment, and hiring government employees. The Company shall operate its business with transparency and auditable.
2. The Company supports raising awareness and values regarding anti-corruption to the Company's directors, executives, and employees to comply with laws, announcements, and related regulations by preparing documents as guidelines.
3. The Company's directors, executives, and employees are prohibited from doing anything or being an intermediary in giving or receiving assets or any other benefits with government officers, government agencies, private agencies, or individuals who do business with the Company whether directly or indirectly so that such persons can act or refrain from duty to obtain or maintain improper business interests.

4. The Company provides a mechanism for reporting on financial status with transparency and accuracy. It has efficient and effective internal control system as well as audits and balances for the appropriate use of authority to prevent corruption or involvement with corruption.
5. The Company requires to review the compliance with anti-corruption policy and regulation together with reviewing the guidelines and the requirements to comply with changes in business, laws, and related regulations.
6. The Company provides communication channels to enable the whistle-blowers to report suspicious clues by ensuring that the whistle-blowers are protected.

To ensure that the Company conducts its business according to the anti-corruption policy and regulation, it has implemented the followings:

#### 1. Fraud Risk Assessment

The Company has the corruption-related risk assessment to determine the clear, accurate, and appropriate guidelines in accordance with the anti-corruption policy and regulation as specified by the Thai Private Sector Collective Action Coalition Against Corruption.

#### 2. Practices for Controlling, Preventing, and Monitoring the Fraud Risk

- The internal audit department provides a process to examine the appropriateness of the control measures in key departments, such as the recruiting and procurement department, the sales department, the accounting department, etc., to prevent and monitor any potential risks, as well as provide recommendations on improvement guidelines appropriately.
- The head of the relevant department is responsible for monitoring the practices, amendments (if any), and reporting to supervisors according to the field in order.



- Anti-corruption policy and procedure are established as a guideline for the Company's directors, executives, and employees to adopt entirely.
- The Company provides channels for receiving information, clues, or complaints about wrongdoing, law-breaking, violation of rules or the Company's anti-corruption policy and regulation. It has provisions to protect the persons who cooperate in whistleblowing or refuse to fraud and corruption related to the Company from suffering, harm, or unfair treatment resulting from cooperation in anticorruption.

### **3. Training and Communication**

The Company has supported activities that encourage employees to understand anti-corruption. For example, the declaration of intent against corruption from the director, the new employee orientation training on "AntiCorruption Policy," public relations about anti-corruption practices, and activities to measure knowledge on anticorruption, including testing knowledge and understanding of executives and employees at all levels annually.

In addition, the Company has published anticorruption policy and procedure to employees, business partners, and all stakeholders both in the form of written documents and disclosures on the Company website that the Company does not accept any forms of corruption, either as a recipient or a giver.

### **4. Performance Follow-up and Evaluation according to the Anti-Corruption Measures**

The Company has reported an audit result relating to corruption forms of giving or receiving gifts, entertainment, sponsorship, donation, political contribution, conflict of interest, facilitation payment, and hiring government employees, then presented to the Audit Committee to ensure that the operations of various departments are complied with anti-corruption policy and regulation.

The Audit Committee is responsible for the practices appropriateness review according to the self-assessment on anti-corruption measures for the renewal certification process of the Thai Private Sector Collective Action Coalition Against Corruption.

### **5. Whistleblowing**

The Board of Directors provides opportunities for employees and stakeholders to report clues or complaints when they have encountered an illegal act of corruption or misconduct by employees of the Company, as well as behaviors that may cause problems and cause damage to the Company, including receiving complaints when employees and stakeholders were violated or did not receive justice via mail, e-mail, telephone, feedback box, and on the Company website with an internal audit, company secretary, secretary of the anti-corruption sub-committee, and human resources to be the recipient through the relevant channels.

In 2023, the Company has not received any whistleblower or complaints about corruption violations.

## 8.2 Report of the Performance of the Audit Committee in the Past Year

### The Audit Committee

In 2023, the Audit Committee consisted of 4 independent directors and held 4 meetings (February, May, August and November). The number of times to attend the meeting is as follows

Name	Position	Position in Audit Committee	No. of Meeting No. of Meeting Attendance
1. Mr. Wattanachai Chotechutrakul	Independent Director	Chairman of Audit Committee	4/4
2. Mr. Thanapich Nulapruk	Independent Director	Audit Committee	4/4
3. Mrs. Aim-on Pathumarak	Independent Director	Audit Committee	4/4
4. Mr. Sujet Kowkasai	Independent Director	Audit Committee	3/3
5. Prof. Dr. Teeravuti Boonyasopon	Independent Director	Audit Committee	1/1

**Remark :** Mr. Sujet Kowkasai was appointed to be the director of the Audit Committee according to the resolution of the Board of Directors Meeting No. 4/2023 dated 28 April 2023 and Prof. Dr. Teravuti Boonyasopon was retired by rotation

In the past year, the Audit Committee held a total of 4 meetings, with all directors attending every meeting to perform duties as stipulated in the Audit Committee's charter and meeting agendas with the auditors. The external audits included EY Office Company Limited, which considered the Company's financial reports, including observations and audit reports of such units

In addition, the Audit Committee has a meeting with the internal audit unit. It has reported the results of the audit and the annual audit plan and has made useful recommendations for various aspects of control, including reviewing the appropriateness of the charter to ensure that the content of the Charter is consistent with the Company's corporate governance objectives and strategies.

The Company has a process for preparing financial reports following generally accepted accounting standards and has not found any items that may have a material impact on the internal audit system's financial statements and risk management are appropriate, adequate, and efficient. Related transactions are normal business transactions, reasonable and no unusual transactions have been found, including complying with the Securities and Exchange Act, regulations, and other relevant laws strictly

## 8.3 Summary of the Performance of Other Sub-Committees

### (1) Nomination and Remuneration Committee

The Board of Directors has appointed the nomination and remuneration committee as the term of office is 1 year from the date the Board of Directors has passed the resolution to appoint. In 2023, the Committee is responsible for nominating qualified persons for the position of director and considering the criteria for paying remuneration to the Board of Directors and sub-committees, appropriate to the duties and responsibilities and within the limit approved by the annual general shareholders' meeting. In 2023 the Nomination and Remuneration Committee held a total of 2 meetings, with a summary as follows:

Name	Position	Position in the Nomination and Remuneration Committee	No. of Meeting/ No. of Meeting Attendance
1. Mr. Pipat Paniangvait	Honorary Chairman	Chairman of the Nomination and Remuneration Committee	2/2
2. Mr. Apichart Thammanomai	Chairman of the Board of Directors and Chairman of the Executive Board	Director of the Nomination and Remuneration Committee	2/2
3. Mr. Wattanachai Chotechutrakul	Independent Director	Director of the Nomination and Remuneration Committee	2/2
4. Prof. Dr. Piyamitr Sritara	Independent Director	Director of the Nomination and Remuneration Committee	1/1

**Remark :** Prof. Dr. Piyamitr Srithara was appointed to be the director of the Nomination and Remuneration Committee according to the resolution of the Board of Directors Meeting No. 4/2023 dated 28 April 2023.

In 2023, the Nomination and Remuneration Committee considered crucial issues and can be summarized as follows:

### Nomination Consideration

Consider qualified people as the Company's directors to replace five directors who retired by rotation to promote and support the good corporate governance policy. The Company provides shareholders with the right to nominate a qualified person to serve as a director between 1 - 31 December 2023, via the Company's website and notification via the Stock Exchange of Thailand's electronic system (SET Portal), but if no shareholder submitted a name list to be considered for election as a director, and the Board of Directors believed that since the directors who retired by rotation have full qualifications and are qualified persons with knowledge, ability, and experience useful in business operations, have a vision to perform well as directors, as well as a vision to perform well as a director, as well as expressing useful opinions at the meeting, it is,

### Remuneration Consideration

Consider the determination of directors' remuneration for the year 2023, consisting of remuneration from the Company in the form of meeting allowance, gratuity, and bonuses or other benefits following the regulations, in addition to receiving allowances and welfare according to the Company's regulations, to be presented to the Board of Directors' meeting and the annual general meeting of shareholders for approval.

### (2) Corporate Governance, Risk Management and Sustainability Committee

In 2023, the Corporate Governance, Risk Management and Sustainability Committee consisting of 9 directors, 4 meetings were held (January, April, July and October), which can be summarized as follows:

Name	Position	Position in the Corporate Governance, Risk Management and Sustainability Committee	No. of Meeting No. of Meeting Attendance
1. Mr. Thanapich Mulapruk	Independent Director	Chairman of the Corporate Governance, Risk Management and Sustainability Committee	4/4
2. Mr. Apisate Thammanomai	Managing Director	Corporate Governance, Risk Management and Sustainability Committee	4/4
3. Dr. Pojjanee Paniangvair	Director	Corporate Governance, Risk Management and Sustainability Committee	4/4
4. Miss Saipin Kittipornpimol	Director and Assistant Managing Director	Corporate Governance, Risk Management and Sustainability Committee	4/4
5. Miss Ubolluck Luevoravinyu	Director and Assistant Managing Director	Corporate Governance, Risk Management and Sustainability Committee	4/4
6. Miss Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager	Corporate Governance, Risk Management and Sustainability Committee	4/4
7. Miss Panida Prayottaweek	Director and Assistant Managing Director	Corporate Governance, Risk Management and Sustainability Committee	4/4
8. Prof. Dr. Piyamitr Sritara	Independent Director	Corporate Governance, Risk Management and Sustainability Committee	2/2
9. Mrs. Aim-on Pathumarak	Independent Director	Corporate Governance, Risk Management and Sustainability Committee	4/4

**Remark :** Prof. Dr. Piyamitr Sritara was appointed to be the director of the Corporate Governance, Risk Management and Sustainability Committee according to the resolution of the Board of Directors Meeting No. 4/2023 dated 28 April 2023.

The Corporate Governance, Risk Management and Corporate Sustainability Committee held four meetings in the past year, with all members in attendance, to fulfill their duties as specified in the committee's charter. The committee effectively supervised the implementation of the risk management process, in accordance with the COSO-ERM 2017 risk management framework, ensuring its systematic and continuous execution. Additionally, the committee conducted a year-long monitoring of potential risks, enabling the company to manage them with maximum efficiency, and push for sustainability work in every dimension (economic/governance, social and environmental dimensions) The committee also reviewed the suitability of the charter and related policies to ensure they align with the organization's objectives and strategies in corporate

governance and risk management. In addition, the committee promoted and encouraged all employees at every level to acquire knowledge and understanding of risk management and sustainability work, with the goal of establishing a culture of risk awareness within the organization. Regular assessments of employee knowledge and understanding were also conducted.

### (3) Investment Committee

The Board of Directors has appointed the nomination and remuneration committee as the term of office is 1 year from the date the Board of Directors has passed the resolution to appoint. In 2023 the Investment Committee held a total of 7 meetings, with a summary as follows:



Name	Position	Position in the Investment Committee	No. of Meeting/ No. of Meeting Attendance
1. Mr. Wichai Kulsompop	Director	Chairman of the Investment Committee	7/7
2. Mr. Apisate Thammanomai	Managing Director	Director	7/7
3. Mr. Pun Paniangvait	Director	Director	7/7
4. Miss Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager	Director	7/7
5. Miss Saipin Kittipornpimol	Director and Assistant Managing Director	Director	7/7
6. Miss Ubolluck Luevoravinyu	Director and Assistant Managing Director	Director	7/7

In the past year, The Investment Committee has fully performed the duties and responsibilities specified in the Investment Committee Charter by using knowledge, ability, and prudence in investment risk management and report the results to the Company's Board of Directors for acknowledgment

#### (4) Independent Directors Committee

In 2023, the independent committee consisting of 5 independent directors, convening a total of 2 meetings (June and December), with the number of meeting attendances as follows:

Name	Position	Position in Independent Directors Committee	No. of Meeting/ No. of Meeting Attendance
1. Mr. Wattanachai Chotechutrakul	Independent Director	Chairman of Independent Director	2/2
2. Mr. Sujet Kowkasai	Independent Director	Independent Director	2/2
2. Prof. Piyamitr Sritara	Independent Director	Independent Director	2/2
3. Mr. Thanapich Nulapruk	Independent Director	Independent Director	2/2
4. Mrs. Aim-on Pathumarak	Independent Director	Independent Director	2/2

In the past year, the independent board of directors has expressed their opinions independently following the mission assigned to protect the interests of all shareholders equally from causing conflicts of interest, reviewing operations, and giving opinions on important matters of

management during the COVID-19 crisis and business management according to good governance and risk management and Operations related to sustainability. This includes attending meetings with the Board of Directors when considering matters or significant transactions.

## (5) Non-Executive Directors

In 2023, the non-executive directors consisted of 9 directors and held 1 meeting (December) with the number of meeting attendances as follows:

Name	Position	Position in Non-Executive Directors	No. of Meeting/ No. of Meeting Attendance
1. Mr. Pipat Paniangvait	Honorary Chairman/Director	Chairman	1/1
2. Dr. Pojjanee Paniangvait	Director	Director	1/1
3. Mr. Pun Paniangvait	Director	Director	1/1
4. Mr. Vichai Kulsomphob	Director	Director	1/1
5. Mr. Wattanachai Chotechutrakul	Independent Director	Director	1/1
6. Mr. Thanapich Mulapruk	Independent Director	Director	1/1
7. Prof. Dr. Piyamitr Sritara	Independent Director	Director	1/1
8. Mrs. Aim-on Pathumarak	Independent Director	Director	1/1
9. Mr. Sujet Kowkasai	Independent Director	Director	1/1

During the past year, non-executive directors oversaw and supervised the management division's operations. They found that, despite the challenges posed by the Covid-19 pandemic, the Company was able to continue its business operations seamlessly thanks to effective internal controls and risk management practices. The Company also implemented various measures and

requirements to control the spread of the virus, resulting in a high number of vaccinated employees. The non-executive directors recommended pushing renewable energy use, participation in assisting society, community, and investment management to be appropriate with maximum efficiency. Collectively, these efforts contributed to instilling confidence among shareholders.

# 9. Internal Control and Related Transactions

## 9.1 Internal Control

The Board of Directors gives importance to processes and internal control systems. Therefore, an internal control system is established to cover finance, management, and operations which must be efficient, effective, complying with applicable laws, regulations, and requirements, suitable for the work environment or activities of that department so that the Company can achieve its goals and objectives effectively. The Board of Directors assigns the Audit Committee, comprising independent directors, to review the adequacy and appropriateness of the Company's internal control system according to the assessment of the adequacy of the internal control system of the Office of the Securities and Exchange Commission every year. The Audit Committee Charter, approved by the Board of Directors, determines the scope of work, authority, and responsibilities, as well as clear guidelines for conducting and performing audits.

### 9.11 Framework for Internal Control Practices

The Company has an internal control system in accordance with the framework of internal control practices by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Its 5 components are summarized as follows:

#### 1. Control Environment

The Company has a good, appropriate, and sufficient internal control environment for the efficient and effective business operations. The executives have a philosophy and work style such as having a good attitude, supporting the enterprise culture that focuses on honesty and ethics, being a good model (Tone at the Top), and supporting the performance of accounting, information management, human resources, result follow-up, risk management, internal and external audit. This is an

important part that helps support the operations of the organization to achieve its objectives sustainably. The Company also promotes a good consciousness (Soft Control) when controlling personnel for various activities to work with their knowledge, abilities, honesty, integrity, and ethics. Control environment covers the main guidelines and policies, including regulations (Hard Control) in business and operations with a clear and appropriate organizational structure and line of authority. The Company has its employees at all levels in the organization to acknowledge its roles, duties, and responsibilities as well as their duties and responsibilities. However, the Company clearly emphasizes the importance of good corporate governance code for the listed companies of 2017. If it is found that directors, executives, and employees have violated or acted in contrary to the Company's business ethics, the Company will consider and take appropriate action. In the event that such action is also contrary to the rules and regulations of work, the Company will consider the punishment according to the nature of the offense as appropriate for the case.

#### 2. Risk Assessment

The Company realizes the importance of risk management by adopting the COSO – ERM 2017 framework as a framework for internal risk management which attaches importance to the connection of the Company's vision, mission, core values, strategy, and business objectives with risk management in order to achieve the goals and business objectives. As a result, the Company's performance is more efficient, under the changes that affect the business from both internal and external factors. It considers risk management to be an essential component of every business process. The Company establishes a risk management policy, prepares a risk management manual, and communicates on the internal website (Intranet) that all executives and employees are aware of and adhere to, as well as exercise risk assessments at all levels. The

Company focuses on 5 different types of risks which are strategy, operation, finance, compliance, and reputation. The Corporate Risk Dashboard is prepared to identify and analyze all risks involved in each unit, including specifying existing controls and additional controls to reduce the level of impact and the likelihood of an incident being within an acceptable risk level (Risk Appetite).

In this regard, the Board of Directors has assigned the Corporate Governance and Risk Management Committee, which consists of directors and top executives of the Company with appropriate knowledge, abilities and experiences, to supervise the implementation of the risk management process effectively and efficiently according to the specified risk management framework, as well as considering the results of the risk assessment and risk monitoring during the year so that the Company can manage the risks that may occur in various situations with the most effective. The Corporate Governance and Risk Management Committee Charter, approved by the Board of Directors, shall determine the operating structure, roles, duties, and responsibilities of executives and employees at all levels appropriately, including creating a risk management culture for effective risk management in the organization.

### 3. Control Activities

The Company has prepared policies and procedures in writing so that all employees have work guidelines in the same direction. Regarding important processes, the Company has developed an information system for proper control such as in accounting and finance, procurement, merchandising, production, logistics, personnel development, information technology, and control of the Company's asset usage for utmost benefit. This also includes a duty separation of operators, controllers, evaluators, and approvers in order to ensure proper balance and checks between them by clearly specifying the scope of approval authority at each level. The Company also provides an action plan that is consistent with the policies and objectives of the organization under an appropriate time frame, and provides a budget system by analyzing and controlling the worthiness of the spending for utmost benefit.

The Company regularly reviews policies and procedures for maximum efficiency, supervises them to operate following the established guidelines and with efficiency under the Company's rules and regulations, and has adequate and appropriate controls using key performance indicators (KPIs). These are tools for planning and controlling performance at all levels to effectively achieve objectives and goals, as well as assigning personnel within the organization to be responsible for the operation of each work system and clearly segregating duties and responsibilities.

### 4. Information and Communication

The Company places importance on information and communication systems by continually developing to get good and efficient communication and information systems for decision-making at the departmental level and organizational level. This is to ensure that communication is accurate, useful, reliable, and has operational control of internal and external information, both financially and operationally. The information is recorded and communicated to the executives and other personnel within the department that need that information to perform their responsible duties. This is especially the information that is a signal so that the executives can resolve problems promptly and achieve the department's objectives. Each year, the Managing Director will communicate through public announcement to the employees within the Company to acknowledge the results of the past year, including any policies that have been added or changed.

The Company prepares meeting documents with adequate and required information for decision-making which are sent to the Board of Directors within the time frame specified by law. The effectiveness of the Board of Directors' meeting is evaluated. Meeting minutes are prepared every time a Board of Directors' meeting is held. The minutes include enough information for shareholders to audit the performance appropriateness of the Company's directors. The documents are also categorized according to the law.



The Company discloses its information in both Thai and English languages that are accurate, complete, transparent, reliable, and timely, including financial and general information reports as well as important information that affects the decision-making process of shareholders, investors, executives, directors, and stakeholders by specifying in the meeting notice and supporting documents at least 7 days in advance of every meeting and disseminating various information and data of Stock Exchange of Thailand in the annual report and the annual registration statement (Form 56-1 one report) through the Company website, channels, and media so that the shareholders can check the performance suitability of directors and executives. It also gives importance to the control of information systems to facilitate operation and management. It controls the information access following the scope of work set by the Company for information security. It shall audit to ensure that the information received is complete, accurate, efficient, consistent with relevant regulations, and beneficial for effective management and decision-making. It also establishes a backup system and an emergency program security system to protect the information, which is enough to manage information more completely and appropriately to support business expansion.

## **5. Monitoring and Evaluation**

The Company arranges the Board of Directors' meeting monthly to consider and monitor the management division's performance to achieve the goals. If the performance does not meet the set goals, the management division is required to proceed and report the progress to the Board of Directors and hold a monthly executive meeting to compare the operating results with the goals and plans of all departments that have been set for reporting to the Board of Directors for acknowledgment. The Board of Directors also requires that all sub-committees must be evaluated.

The Company adopts an evaluation monitoring system of the Balance Scorecard system which has key performance indicators (KPIs) as a tool to measure

performance of management division and employees continuously throughout the organization to be in line with vision, mission, business strategy, and core values set by the Company. Every department shall report its performance and compare it with the goals of the each indicator that is monthly set along with regular and continual follow-up.

In addition, the Company also requires that the internal audit department of the Company are independent in auditing and evaluation. In the annual audit plan of the internal audit department, it requires a result monitoring system for the audited work system which shall be reported directly to the Audit Committee and the Board of Directors. It shall also provide suggestions to improve, correct, and make the operation more efficient.

### **9.1.2 Board of Directors' Opinion on the Internal Control System**

At the Board of Directors' Meeting No. 2/2024 on 19 February 2024, the Board of Directors unanimously resolved that the Company's internal control system is suitable, sufficient, and efficient following the principles of good corporate governance and in the audit of the financial statements for 2023 by EY Office Company Limited, who reviewed the quarterly financial statements and audited the 2023 financial statements, reported that from the review of the financial statements, it was shown that the financial position, performance, and cash flows follow financial reporting standards.

### **9.1.3 Internal Audit**

The Company has an internal audit department. It is an independent unit with a reporting chain and a chain of command directly reporting to the Audit Committee. Its primary duty is to evaluate the sufficiency, effectiveness, and risk management of work systems and activities in order to ensure that the Company has an internal control system that can run efficiently in accordance with the Audit Committee's approved annual audit plan. The Company can identify processes that may cause risks that may affect the Company's goals by analyzing the major risks that affect

the operations (Risk Based Approach), which encompasses all processes in the Company's business operation. All of this is done to implement effective and timely control measures, as well as conduct audits, in order to instill trust and transparency in corporate operations among members, partners, shareholders, directors, executives, employees, government agencies, and stakeholders.

## Guidelines

- Auditing the efficiency of the internal control system. The internal audit department was examined together with the performance at each stage to verify that the Company could meet the stated objectives efficiently and effectively by strictly adhering to the rules and regulations, and that the financial reports were accurate and reliable.
- Evaluating the risk management system's efficacy. To ensure that risks are correctly identified and analyzed, the Internal Audit Department collaborates with the Risk Management Department to undertake an evaluation of the workers' risk management approach. Comprehensive and systematic risk management may be implemented effectively, allowing risks to be managed to an acceptable level while producing a comprehensive report and regularly monitoring and reviewing the risks.

## Results Report

Internal Audit shall regularly report on performance to the Audit Committee and the Board of Directors, including generating necessary reports in accordance with Securities and Exchange Commission (SEC) regulations to be presented to the Board of Directors. All of this is done to ensure the effectiveness of the internal control process, risk management, and corporate governance by adhering to the code of conduct and professional standards of internal auditing, as well as to maintain the independence and quality of internal audit work, which will be reported to the Audit Committee and the Board of Directors quarterly.

In addition, if the Audit Committee has any suggestions or doubts that are materially affecting the damage to the Company, it will be reported directly to the Managing Director for timely remedial action to ensure that the Company has an appropriate internal control system that is followed within the organization.

## Performance appraisal

In 2023, the Audit Committee considered that internal audit had performed their duties effectively, which consisted of being independent, fair, and having a code of ethics. From the performance of the past year, the Internal Audit Department has received satisfying cooperation from the Management and audit recipients of all departments.



## 9.2 Related Transactions

In 2023, the Company has transactions with persons who may have conflicts of interest as disclosed in item 9 of the remark to the financial statements for the year ended 31 December 2023. The auditor stated that such transactions were normal business. The details of the said transaction are as follows.

Person who may have Conflict of Interest	Nature of Relationship	Item Characteristics	Transaction Value (Million Baht)			Pricing Policy and Transaction Rationality
			For the year ended 31 December 2023	For the year ended 31 December 2022	For the year ended 31 December 2021	
1. Thai President Foods Public Company Limited ("TFMAMA")	<ul style="list-style-type: none"> <li>TFMAMA holds shares in the Company accounted for 51.99%</li> <li>There are common directors as follows: Mr. Pipat Paniangvait Mr. Apichart Thammanomai</li> </ul>	<ul style="list-style-type: none"> <li>Dividends paid</li> </ul>	467.92	449.21	416.45	as declared trading conditions Conduct business as usual with general
		<ul style="list-style-type: none"> <li>Raw materials</li> </ul>	0.04	-	-	
		<ul style="list-style-type: none"> <li>Purchasing</li> </ul>				
		<ul style="list-style-type: none"> <li>Service charge</li> </ul>	-	-	0.02	
2. Saha Pathana Inter Public Holding Public Company Limited ("SPI")	<ul style="list-style-type: none"> <li>SPI holds 21.79% shares of the Company</li> <li>There are common directors as follows: Mr. Pipat Paniangvait Mr. Vichai Kulsomphob</li> </ul>	<ul style="list-style-type: none"> <li>Dividends paid</li> </ul>	196.11	188.26	174.51	as declared
3. Kerry Flour Mill ("Kerry")	<ul style="list-style-type: none"> <li>Has the same major shareholder, i.e. TFMAMA holding 39.0% shares in Kerry</li> <li>There are common directors as follows: Mr. Apichart Thammanomai and Dr. Pojjanee Paniangvait</li> </ul>	<ul style="list-style-type: none"> <li>The Company purchases wheat flour to be used as raw material for bread and bakery and production</li> </ul>	337.57	442.54	430.51	Agreed price which is close to the market price taking into account the purchase quantity.

Person who may have Conflict of Interest	Nature of Relationship	Item Characteristics	Transaction Value (Million Baht)			Pricing Policy and Transaction Rationality
			For the year ended 31 December 2023	For the year ended 31 December 2022	For the year ended 31 December 2021	
4. Dai-ichi Packaging Company Limited ("Daiichi")	<ul style="list-style-type: none"> <li>Has the same major shareholder, TFMAMA, which holds 50.10% in Daiichi</li> <li>There are common directors, namely Mr. Pipat Paniangvait and Mr. Pun Paniangvait</li> </ul>	<ul style="list-style-type: none"> <li>The Company purchases packaging such as fruit pie film, deli sandwich film, hot dog bread film.</li> </ul>	-	-	0.81	Agreed price which is close to the market price taking into account the purchase quantity.
5. Saha Pathanapibul Public Company Limited ("SPC")	<ul style="list-style-type: none"> <li>SPI holds 1.03% shares of the Company.</li> <li>There are connected directors</li> </ul>	<ul style="list-style-type: none"> <li>Sugar raw materials purchasing company</li> <li>Miscellaneous items purchasing company</li> <li>Dividends paid</li> </ul>	10.91 0.35 9.30	10.38 0.20 8.93	11.05 0.32 8.28	Agreed price which is close to the market price taking into account the purchase quantity. as declared
6. President Green House Foods Company Limited ("PGH")	<ul style="list-style-type: none"> <li>The Company holds a 39% stake in PGH.</li> <li>There are common directors: Mr. Apisate Thammanoma Ms. Petcharat Anantawichai Miss Saipin Kittipornpimol</li> </ul>	<ul style="list-style-type: none"> <li>The Company sells products to PGH such as breadcrumbs.</li> <li>Servicing to other Companies</li> <li>Dividends received</li> </ul>	3.62 3.42 5.85	2.97 3.36 3.22	1.96 2.45 1.73	Mutually agreed price which is close to the market price Agreed rate which is close to the market price as declared



## **Necessity and Rationality of Related Transactions**

The auditor examined related party transactions and concluded that such connected activities are primarily related to the trading of products. Such business transactions are subject to mutually agreed-upon terms or rules and are conducted in accordance with conventional business practices. The auditor has reported such transactions to the Audit Committee on a quarterly basis.

The Board of Directors has approved a principle according to the Securities and Exchange Act (No.4) B.E.2551 under Section 89/12 (1), the management can approve such transactions if those transactions have a trade agreement in the way of person of ordinary prudence, and shall be done with the general counterparty under the same circumstances with commercial bargaining power without influence of being a director, executive or related person.

In 2023, the Audit Committee considered connected transactions or items that may have conflicts of interest, including the disclosure of such transactions according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. At a reasonable price and has disclosed sufficient, accurate, and complete information.

## **Guidelines or Trends for Connected Transactions**

The Board of Directors has considered the connected transactions of the Company to be in compliance with the law and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Company has guidelines for making related transactions with persons who may have conflicts of interest in the future. The conditions will be set according to the normal nature of the business as well as having measures for approval of related-party transactions as normal business practices. The directors, executive directors or persons who may have conflicts of interest shall not have the right to vote on such matter.

## **Future Connected Transactions**

The connected transactions are continuing, more or less depending on the economic situation or production capacity. Because persons with conflicts of interest are the Company's supply chains. The flexibility of being a supply chain is conducive to the business competition and ultimately to the stakeholders. The transactions with all parties are normal business operations without transferring the benefits to related companies or persons. The Company adhere to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as take into account rationality, suitability regarding terms and prices, so that all shareholders and stakeholders are treated fairly and equally.

### Section 3 Financial Statements

## Report of The Board of Directors' Responsibilities for Preparation of Financial Statement for The Year 2023


The financial statement of President Bakery Public Company Limited and the subsidiaries has been compiled under the Company's Board of Directors policies, which specified to practice in accordance with Thai Financial Reporting Standard, to use appropriate accounting policies and to consistently practice. The compilation of financial statements are done with reasonable estimate and careful discretions as well as disclosed sufficient information in the notes to the financial statements. The purpose is to reflect true Company's performance and analysis as well as for the shareholders and general investors benefit in using financial statement. The Company's Board of Director and Management Committee are responsible for financial data and financial information presented in 56-1 one report.

The Company financial statement has been audited and provided unqualified opinion by the authorized independent auditor where the financial statement accurately and truly reflects the past year financial status and operating performance for the benefit of shareholders and general investors in using financial statement.

The Board of Directors appointed the Audit Committee, which consisted of independent directors and experts, to review and ensure that the Company has accurately report financial information and performance, maintain efficient and sufficient internal control system and internal audit in order to appropriately and effectively manage risks to be at an acceptable level. Furthermore, The Audit Committee monitored to ensure that the Company conduct its business in accordance with the laws on Securities and Exchange regulations of the Stock Exchange or laws related to the Company's business and other obligations. In addition, to accurately and completely

disclose and conduct related transactions or transactions involving a potential conflict of interest as well as perform the duties transparently, reliably and in line with good corporate governance system. The opinion of the Audit Committee on the matters is appeared in the report of the Audit Committee in 56-1 One Report

The Board of Directors has the opinion that, the Corporate Governance, the Risk Management System and internal control system of the Company is adequate and appropriate and they can reasonably ensure the reliability that the financial statement of the Company and the subsidiaries, for the year ended 31 December 2023, has been duly prepared and disclosed, in essence, as appropriate according to the Thai Financial Report Standard.



**(Mr. Apichart Thammanomai)**

Chairman of the Board of Directors  
and Chairman of the Executive Board



**(Mr. Apisate Thammanomai)**

Managing Director

## Section 3 Financial Statements

# Independent Auditor's Report

## To the Shareholders of President Bakery Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of President Bakery Public Company Limited and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of President Bakery Public Company Limited.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of President Bakery Public Company Limited and its subsidiary as at 31 December 2023, and its financial performance and cash flows for the year then ended and the separate of President Bakery Public Company Limited, in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### Revenue recognition

Sales of goods are significant accounting transactions as the amounts recorded are material and directly affect profit or loss of the Group. In addition, the sales transactions of the Group are made with a large number of customers and there are a variety of arrangements and conditions, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. I therefore gave significant attention to the revenue recognition of the Group.

I evaluated the Group's revenue recognition by assessing and testing its internal controls with respect to the revenue cycle. I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Group issued after the period-end. I tested the data being used in calculating and recording accrued sales promotions and discounts at the end of reporting period whether it was consistent with the conditions of the relevant agreements or arrangements with the customers. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 Group, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

I am responsible for the audit resulting in this independent auditor's report.

**S. Ratananurak**

**Satida Ratananurak**

**Certified Public Accountant (Thailand) No. 4753**

**EY Office Limited**

**Bangkok: 19 February 2024**

## Section 3 Financial Statements

## Statements of Financial Position

President Bakery Public Company Limited and its subsidiary

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	6	569,152,958	648,943,516	443,999,019	648,943,516
Trade and other receivables	7, 9	1,030,031,025	1,003,364,160	1,030,031,025	1,003,364,160
Inventories	8	207,601,144	208,897,887	207,601,144	208,897,887
Other current financial assets	12	5,375,868,730	4,719,326,616	5,375,868,730	4,719,326,616
Other current assets		19,044,542	16,570,315	19,044,542	16,570,315
Total current assets		7,201,698,399	6,597,102,494	7,076,544,460	6,597,102,494
Non-current assets					
Investment in subsidiary	10	-	-	124,999,800	-
Investment in joint venture	11	35,644,347	34,788,362	5,850,000	5,850,000
Other non-current financial assets	12	2,160,518,551	2,186,542,527	2,160,518,551	2,186,542,527
Property, plant and equipment	13	3,410,456,923	3,334,261,519	3,410,456,923	3,334,261,519
Right-of-use assets	16.1	20,927,583	28,544,272	20,927,583	28,544,272
Advance payments for purchase of assets		70,463,439	3,407,564	70,463,439	3,407,564
Intangible assets	14	9,923,314	11,565,660	9,923,314	11,565,660
Other non-current assets		6,774,996	4,768,942	6,774,996	4,768,942
Total non-current assets		5,714,709,153	5,603,878,846	5,809,914,606	5,574,940,484
Total assets		12,916,407,552	12,200,981,340	12,886,459,066	12,172,042,978

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

## Section 3 Financial Statements

# Statements of Financial Position (Continued)

## President Bakery Public Company Limited and its subsidiary

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	9, 15	696,937,288	782,497,657	696,856,588	782,497,657
Current portion of lease liabilities	16.2	12,426,265	12,444,131	12,426,265	12,444,131
Corporate income tax payable		148,729,921	139,254,581	148,713,644	139,254,581
Accrued expenses		199,419,755	198,998,894	199,419,755	198,998,894
Other current liabilities		3,968,771	11,134,310	3,968,771	11,134,310
Total current liabilities		1,061,482,000	1,144,329,573	1,061,385,023	1,144,329,573
Non-current liabilities					
Lease liabilities, net of current portion	16.2	8,392,370	15,564,031	8,392,370	15,564,031
Deferred tax liabilities	23	8,804,743	4,971,294	8,804,743	4,971,294
Provision for long-term employee benefits	17	91,435,575	97,733,611	91,435,575	97,733,611
Other non-current liabilities		4,613,562	4,402,504	4,613,562	4,402,504
Total non-current liabilities		113,246,250	122,671,440	113,246,250	122,671,440
Total liabilities		1,174,728,250	1,267,001,013	1,174,631,273	1,267,001,013
Shareholders' equity					
Share capital					
Registered					
450,000,000 ordinary shares of Baht 1 each		450,000,000	450,000,000	450,000,000	450,000,000
Issued and fully paid-up					
450,000,000 ordinary shares of Baht 1 each		450,000,000	450,000,000	450,000,000	450,000,000
Share premium		674,379,513	674,379,513	674,379,513	674,379,513
Retained earnings					
Appropriated - statutory reserve	18	45,000,000	45,000,000	45,000,000	45,000,000
Unappropriated		10,487,690,500	9,686,304,962	10,457,839,191	9,657,366,600
Other components of shareholders' equity		84,609,089	78,295,852	84,609,089	78,295,852
Equity attributable to owners of the Company		11,741,679,102	10,933,980,327	11,711,827,793	10,905,041,965
Non-controlling interests of the subsidiary		200	-	-	-
Total shareholders' equity		11,741,679,302	10,933,980,327	11,711,827,793	10,905,041,965
Total liabilities and shareholders' equity		12,916,407,552	12,200,981,340	12,886,459,066	12,172,042,978

## Section 3 Financial Statements

## Statements of Comprehensive Income

President Bakery Public Company Limited and its subsidiary  
For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	26	7,540,442,787	7,528,859,650	7,540,442,787	7,528,859,650
Other income	19	57,236,383	42,108,959	63,086,383	45,326,459
<b>Total revenues</b>		<u>7,597,679,170</u>	<u>7,570,968,609</u>	<u>7,603,529,170</u>	<u>7,574,186,109</u>
<b>Expenses</b>	22				
Cost of sales		4,033,110,508	4,048,934,615	4,033,110,508	4,048,934,615
Selling and distribution expenses		1,441,808,342	1,368,588,902	1,441,808,342	1,368,588,902
Administrative expenses		256,487,704	266,656,453	256,388,754	266,656,453
<b>Total expenses</b>		<u>5,731,406,554</u>	<u>5,684,179,970</u>	<u>5,731,307,604</u>	<u>5,684,179,970</u>
<b>Operating profit</b>		<u>1,866,272,616</u>	<u>1,886,788,639</u>	<u>1,872,221,566</u>	<u>1,890,006,139</u>
Share of profit from investment in joint venture	11.2	6,705,985	6,781,244	-	-
Finance income	20	105,607,771	55,781,025	105,434,879	55,781,025
Finance cost	21	(1,396,248)	(889,684)	(1,396,248)	(889,684)
<b>Profit before income tax expenses</b>		<u>1,977,190,124</u>	<u>1,948,461,224</u>	<u>1,976,260,197</u>	<u>1,944,897,480</u>
Income tax expenses	23	(269,419,547)	(241,488,575)	(269,402,567)	(241,488,575)
<b>Profit for the year</b>		<u>1,707,770,577</u>	<u>1,706,972,649</u>	<u>1,706,857,630</u>	<u>1,703,408,905</u>
<b>Earnings per share</b>	24				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>3.80</u>	<u>3.79</u>	<u>3.79</u>	<u>3.79</u>

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



## Section 3 Financial Statements

# Statements of Comprehensive Income (Continued)

## President Bakery Public Company Limited and its subsidiary

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Loss on changes in value of debt investment designated at fair value through other comprehensive income - net of income tax	(4,422,871)	(10,378,572)	(4,422,871)	(10,378,572)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(4,422,871)	(10,378,572)	(4,422,871)	(10,378,572)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Gain (loss) on change in value of equity investment designated at fair value through other comprehensive income - net of income tax	4,351,069	(25,511,794)	4,351,069	(25,511,794)
Actuarial loss- net of income tax	-	(13,454,072)	-	(13,454,072)
Share of actuarial loss of joint venture - net of income tax	-	(121,792)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	4,351,069	(39,087,658)	4,351,069	(38,965,866)
<b>Other comprehensive income for the year</b>	<b>(71,802)</b>	<b>(49,466,230)</b>	<b>(71,802)</b>	<b>(49,344,438)</b>
<b>Total comprehensive income for the year</b>	<b>1,707,698,775</b>	<b>1,657,506,419</b>	<b>1,706,785,828</b>	<b>1,654,064,467</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	1,707,770,577	1,706,972,649	1,706,857,630	1,703,408,905
Non-controlling interests of the subsidiary	-	-	-	-
	<b>1,707,770,577</b>	<b>1,706,972,649</b>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	1,707,698,775	1,657,506,419	1,706,785,828	1,654,064,467
Non-controlling interests of the subsidiary	-	-	-	-
	<b>1,707,698,775</b>	<b>1,657,506,419</b>		

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

## Section 3 Financial Statements

## Statements of Changes in Shareholders' Equity

President Bakery Public Company Limited and its subsidiary  
For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements						
		Equity attributable to shareholders of the Company						
Note	Issued and paid-up share capital	Share premium	Retained earnings		Fair value reserve of financial assets at FVOCI	Total equity attributable to shareholders of the Company	Non-controlling interests of the subsidiary	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated				
<b>Balance as at 1 January 2022</b>	450,000,000	674,379,513	45,000,000	8,851,568,103	119,526,292	10,140,473,908	-	10,140,473,908
Profit for the year	-	-	-	1,706,972,649	-	1,706,972,649	-	1,706,972,649
Other comprehensive income for the year	-	-	-	(13,575,864)	(35,890,366)	(49,466,230)	-	(49,466,230)
Total comprehensive income for the year	-	-	-	1,693,396,785	(35,890,366)	1,657,506,419	-	1,657,506,419
Dividend payment	-	-	-	(864,000,000)	-	(864,000,000)	-	(864,000,000)
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	5,340,074	(5,340,074)	-	-	-
<b>Balance as at 31 December 2022</b>	<b>450,000,000</b>	<b>674,379,513</b>	<b>45,000,000</b>	<b>9,686,304,962</b>	<b>78,295,852</b>	<b>10,933,980,327</b>	<b>-</b>	<b>10,933,980,327</b>
<b>Balance as at 1 January 2023</b>	450,000,000	674,379,513	45,000,000	9,686,304,962	78,295,852	10,933,980,327	-	10,933,980,327
Profit for the year	-	-	-	1,707,770,577	-	1,707,770,577	-	1,707,770,577
Other comprehensive income for the year	-	-	-	-	(71,802)	(71,802)	-	(71,802)
Total comprehensive income for the year	-	-	-	1,707,770,577	(71,802)	1,707,698,775	-	1,707,698,775
Dividend payment	-	-	-	(900,000,000)	-	(900,000,000)	-	(900,000,000)
Increase in non-controlling interest of subsidiary	-	-	-	-	-	-	200	200
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	(6,385,039)	6,385,039	-	-	-
<b>Balance as at 31 December 2023</b>	<b>450,000,000</b>	<b>674,379,513</b>	<b>45,000,000</b>	<b>10,487,690,500</b>	<b>84,609,089</b>	<b>11,741,679,102</b>	<b>200</b>	<b>11,741,679,302</b>

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

### Section 3 Financial Statements

## Statements of Changes in Shareholders' Equity (Continued)

President Bakery Public Company Limited and its subsidiary  
For the year ended 31 December 2023

		Separate financial statements					(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Fair value reserve of financial assets at FVOCI	Total
				Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 1 January 2022</b>		450,000,000	674,379,513	45,000,000	8,826,071,693	119,526,292	10,114,977,498
Profit for the year		-	-	-	1,703,408,905	-	1,703,408,905
Other comprehensive income for the year		-	-	-	(13,454,072)	(35,890,366)	(49,344,438)
Total comprehensive income for the year		-	-	-	1,689,954,833	(35,890,366)	1,654,064,467
Dividend payment	25	-	-	-	(864,000,000)	-	(864,000,000)
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings		-	-	-	5,340,074	(5,340,074)	-
<b>Balance as at 31 December 2022</b>		450,000,000	674,379,513	45,000,000	9,657,366,600	78,295,852	10,905,041,965
<b>Balance as at 1 January 2023</b>		450,000,000	674,379,513	45,000,000	9,657,366,600	78,295,852	10,905,041,965
Profit for the year		-	-	-	1,706,857,630	-	1,706,857,630
Other comprehensive income for the year		-	-	-	-	(71,802)	(71,802)
Total comprehensive income for the year		-	-	-	1,706,857,630	(71,802)	1,706,785,828
Dividend payment	25	-	-	-	(900,000,000)	-	(900,000,000)
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings		-	-	-	(6,385,039)	6,385,039	-
<b>Balance as at 31 December 2023</b>		450,000,000	674,379,513	45,000,000	10,457,839,191	84,609,089	11,711,827,793

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

## Section 3 Financial Statements

# Statements of Cash Flows

**President Bakery Public Company Limited and its subsidiary**  
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before tax	1,977,190,124	1,948,461,224	1,976,260,197	1,944,897,480
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	375,429,620	378,981,403	375,429,620	378,981,403
Gain on disposals of property, plant and equipment	(4,665,502)	(1,150,081)	(4,665,502)	(1,150,081)
Share of profit from investment in joint venture	(6,705,985)	(6,781,244)	-	-
Loss (gain) on sales of other current financial assets	218,228	(61,256)	218,228	(61,256)
Loss on sales of other non-current financial assets	14,365,271	10,655,746	14,365,271	10,655,746
Gain (loss) from sales of equity instruments not recognised in profit or loss	(7,981,299)	6,675,093	(7,981,299)	6,675,093
Unrealised gain on exchange	(415,490)	(322,512)	(415,490)	(322,512)
(Gain) loss from fair value measurement of financial assets	(9,047,148)	9,239,111	(9,047,148)	9,239,111
Provision for long-term employee benefits	8,805,617	4,603,205	8,805,617	4,603,205
Dividend income from listed equity investments	(14,318,578)	(10,393,191)	(14,318,578)	(10,393,191)
Dividend income from joint venture	-	-	(5,850,000)	(3,217,500)
Dividend income from non-listed equity investment	(7,650,000)	(5,850,000)	(7,650,000)	(5,850,000)
Finance income	(105,607,771)	(55,781,025)	(105,434,879)	(55,781,025)
Finance cost	1,396,248	889,684	1,396,248	889,684
Profit from operating activities before changes in operating assets and liabilities	2,221,013,335	2,279,166,157	2,221,112,285	2,279,166,157
Decrease (increase) in operating assets				
Trade and other receivables	(24,775,299)	(117,334,155)	(24,775,299)	(117,334,155)
Inventories	1,296,743	(19,241,368)	1,296,743	(19,241,368)
Other current assets	(2,474,227)	(5,193,480)	(2,474,227)	(5,193,480)
Other non-current assets	(2,006,053)	(1,333,172)	(2,006,053)	(1,333,172)
Increase (decrease) in operating liabilities				
Trade and other payables	(58,302,684)	83,916,605	(58,383,384)	83,916,605
Other current liabilities	122,506	(7,891,339)	122,506	(7,891,339)
Other non-current liabilities	211,058	412,992	211,058	412,992
Provision for long-term employee benefits	(15,103,653)	(11,195,922)	(15,103,653)	(11,195,922)
Cash from operating activities	2,119,981,726	2,201,306,318	2,119,999,976	2,201,306,318
Cash paid for income tax	(256,092,808)	(228,975,689)	(256,092,105)	(228,975,689)
<b>Net cash from operating activities</b>	<b>1,863,888,918</b>	<b>1,972,330,629</b>	<b>1,863,907,871</b>	<b>1,972,330,629</b>

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



## Section 3 Financial Statements

# Statements of Cash Flows (Continued)

## President Bakery Public Company Limited and its subsidiary

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from investing activities</b>				
Cash paid for other current financial assets	(6,589,719,066)	(6,627,725,874)	(6,589,719,066)	(6,627,725,874)
Cash paid for other non-current financial assets	(1,491,245,698)	(1,609,614,696)	(1,491,245,698)	(1,609,614,696)
Cash received from sales of other current financial assets	6,612,448,947	6,323,762,322	6,612,448,947	6,323,762,322
Cash received from sales of other non-current financial assets	842,765,114	1,210,224,250	842,765,114	1,210,224,250
Acquisitions of property, plant and equipment	(465,564,718)	(217,453,923)	(465,564,718)	(217,453,923)
Proceeds from disposals of property, plant and equipment	4,757,066	1,371,050	4,757,066	1,371,050
(Increase) decrease in advance payments for purchase of assets	(67,055,875)	1,567,037	(67,055,875)	1,567,037
Increase in intangible assets	(1,612,450)	(1,505,875)	(1,612,450)	(1,505,875)
Interest received	98,570,291	62,907,193	98,397,399	62,907,193
Increase in investments in subsidiary company	-	-	(124,999,800)	-
Dividend income from listed equity investments	14,300,239	10,326,474	14,300,239	10,326,474
Dividend income from joint venture	5,850,000	3,217,500	5,850,000	3,217,500
Dividend income from non-listed equity investment	7,650,000	5,850,000	7,650,000	5,850,000
Net increase in non-controlling interests of the subsidiary	200	-	-	-
<b>Net cash used in investing activities</b>	<b>(1,028,855,950)</b>	<b>(837,074,542)</b>	<b>(1,154,028,842)</b>	<b>(837,074,542)</b>
<b>Cash from financing activities</b>				
Payment of principal portion of lease liabilities	(13,427,278)	(11,192,233)	(13,427,278)	(11,192,233)
Cash paid for interest expenses	(1,396,248)	(889,684)	(1,396,248)	(889,684)
Dividend payments	(900,000,000)	(864,000,000)	(900,000,000)	(864,000,000)
<b>Net cash used in financing activities</b>	<b>(914,823,526)</b>	<b>(876,081,917)</b>	<b>(914,823,526)</b>	<b>(876,081,917)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(79,790,558)</b>	<b>259,174,170</b>	<b>(204,944,497)</b>	<b>259,174,170</b>
Cash and cash equivalents at beginning of year	648,943,516	389,769,346	648,943,516	389,769,346
<b>Cash and cash equivalents at end of year (Note 6)</b>	<b>569,152,958</b>	<b>648,943,516</b>	<b>443,999,019</b>	<b>648,943,516</b>

### Supplementary disclosures of cash flows information

#### Non-cash related transactions

Other payables for acquisitions of property, plant and equipment

and retention 40,259,452 71,198,251 40,259,452 71,198,251

Acquisition of right-of-use assets under lease contracts 6,691,936 30,377,400 6,691,936 30,377,400

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

## Section 3 Financial Statements

## Notes to Financial Statements

## President Bakery Public Company Limited and its subsidiary

For the year ended 31 December 2023

## 1. General information

President Bakery Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is Thai President Foods Public Company Limited, which is a public company incorporated in Thailand. The Company is principally engaged in the manufacture and sales of bakery products and its registered address is at No. 121/84-85, 29th Floor, RS Tower, Ratchadapisek Road, Dindaeng, Bangkok.

## 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of President Bakery Public Company Limited ("the Group") and the following subsidiary company ("the subsidiary") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023	2022
			Percent	Percent
PB Flour Mill Company Limited	Manufacture and distribution of wheat flour-related products	Thailand	99.99	-

- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiary and joint venture under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that the adoption of these amendments will not have any significant impact on the Group's financial statements.

#### **4. Significant accounting policies**

##### **4.1 Revenue and expense recognition**

###### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

###### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

###### *Finance cost*

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

###### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

##### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash and deposits 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**

Inventories are valued at the lower of cost (under weighted average basis) and net realisable value. Cost of finished goods and work in process comprises all production costs and attributable factory overhead.

Raw and packing materials, spare parts and factory supplies are charged to production costs whenever consumed.



#### 4.4 Investments in subsidiary and joint venture

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

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

#### 4.5 Property, plant and equipment and depreciation

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

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the estimated useful lives of assets, except for computer equipment acquired since 1 January 2002 calculated by double declining balance basis, as follows:

Buildings and improvements	-	10 - 20 years
Machinery and equipment	-	5 - 20 years
Computer equipment	-	3 - 5 years
Furniture and office equipment	-	3 - 5 years
Motor vehicles	-	5 years

No depreciation is provided on land, construction in progress and assets under installation.

Depreciation is included in determining income.

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

#### 4.6 Intangible assets

Intangible assets are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any 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, except for computer software acquired since 1 January 2002 to 31 December 2015 calculated by double declining balance basis and since 1 January 2016 calculated by straight-line basis, 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.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years

The amortisation is included in determining income.

#### 4.7 Assets held for sale

Assets held for sale are stated at the lower of cost and estimated net realisable value.

Gain (loss) on disposal of assets held for sale are recognised in profit or loss in the statements of comprehensive income upon disposal.

Loss on impairment (if any) is recognised as an expense in profit or loss in the statements of comprehensive income.

#### 4.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### 4.9 Leases

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

##### The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located 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.

Buildings and improvements	6	years
Furniture and office equipment	3	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

#### ***Short-term leases and leases of low-value assets***

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

#### **4.10 Foreign currencies**

The financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of non-financial assets**

At the end of reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and right-of-use 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 Group 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.

In the assessment of asset impairment if there is any indication that the previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.



## 4.12 Employee benefits

### ***Short-term employee benefits***

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

### ***Post-employment benefits and other long-term employee benefits***

#### *Defined contribution plans*

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

#### *Defined benefit plans and other long-term employee benefits*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and death. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

## 4.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while 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 Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component or for which at contract inception the Group expected payment by the customer less than one year, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.



## **Classification and measurement of financial assets**

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

### ***Financial assets at amortised cost***

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

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

### ***Financial assets at FVOCI (debt instruments)***

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset 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.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

#### ***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 including interest income recognised in profit or loss.

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

Dividends on listed equity investments are recognised as other income in profit or loss.

#### **Classification and measurement of financial liabilities**

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

#### **Recognition and derecognition of financial instruments**

Regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date on which the Group becomes a party to contractual provisions of the instruments.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.



A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 4.16 Derivatives

The Group uses derivatives, such as forward currency contract to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income 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.

#### 4.17 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

## 5. Significant accounting judgements and estimates

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

### 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 longer-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.

### 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 plan 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.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	829	1,231	818	1,231
Bank deposits	568,324	347,713	443,181	347,713
Fixed deposit receipts	-	300,000	-	300,000
Total	<u>569,153</u>	<u>648,944</u>	<u>443,999</u>	<u>648,944</u>

As at 31 December 2023, bank deposits in savings accounts, fixed deposits and fixed deposit receipts carried interests between 0.10 and 1.05 percent per annum (2022: between 0.10 and 1.50 percent per annum).

## 7. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	509	482
Total trade receivables - related parties	509	482
<u>Trade receivables - unrelated parties</u>		
Not yet due	558,944	545,214
Past due		
Less than 3 months	465,733	445,645
3 - 6 months	504	-
6 - 12 months	778	-
Total trade receivables - unrelated parties	1,025,959	990,859
Total trade receivables	1,026,468	991,341
<u>Other receivables</u>		
Other receivables - related party	209	209
Other receivables - unrelated parties	3,354	11,814
Total other receivables	3,563	12,023
Total trade and other receivables	1,030,031	1,003,364

## 8. Inventories

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Finished goods	4,561	5,024
Work in process	4,402	3,904
Raw materials	101,284	108,324
Packaging materials	39,789	36,754
Spare parts and factory supplies	57,565	54,892
Total	207,601	208,898



## 9. Related party transactions

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

	<u>2023</u>	<u>2022</u>	<u>Transfer pricing and lending policy</u>
(Unit: Million Baht)			
<b>Transactions with parent company</b>			
Dividend payment	467.9	449.2	At the declared rate
<b>Transactions with related companies</b>			
Purchases of goods	427.0	508.3	Agreed price which approximates the market price by reference to purchase volume
Dividend payment	217.7	209.0	At the declared rate
Dividend income	11.7	5.9	At the declared rate
<b>Transactions with joint venture</b>			
Sales of goods	3.6	3.0	Agreed price which approximates the market price
Service income	2.8	2.8	Agreed price which approximates the market price
Rental income	0.6	0.6	Agreed price which approximates the market price
Dividend income	5.9	3.2	At the declared rate

The balances of accounts as at 31 December 2023 and 2022 between the Company and those related persons or parties are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<b>Trade and other receivables - related parties (Note 7)</b>		
Joint venture (related by the Company holding interest in that company and by common shareholders and common directors)	575	691
Related companies (related by having holding interest in the Company and/or by common shareholders and common directors)	143	-
Total trade and other receivables - related parties	<u>718</u>	<u>691</u>
<b>Trade and other payables - related parties (Note 15)</b>		
Related companies (related by having holding interest in the Company and/or by common shareholders and common directors)	78,193	125,072
Connected companies (related by connected directors)	1,015	1,222
Total trade and other payables - related parties	<u>79,208</u>	<u>126,294</u>

**Directors' and management's remuneration**

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

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	51.3	54.7
Post-employment benefits and other long-term benefits	0.5	0.8
Total	<u>51.8</u>	<u>55.5</u>

**10. Investment in subsidiary****Details of investment in subsidiary as presented in separate financial statements**

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
			(%)	(%)		
PB Flour Mill Company Limited	125,000	-	99.99	-	125,000	-
Total					<u>125,000</u>	<u>-</u>

On 18 September 2023, the meeting of the Company's Board of Directors passed a resolution approving the establishment of a new subsidiary company in Thailand, namely PB Flour Mill Co., Ltd. This new subsidiary is primarily, engaged in the production and distribution of wheat flour with a registered share capital of Baht 500 million (5,000,000 ordinary shares at par value Baht 100 per share). The Company holds a 99.99 percent interest in this subsidiary. This subsidiary called up 25 percent of its share capital and the Company paid the share subscription of Baht 125 million in October 2023. This subsidiary registered as a limited company with the Ministry of Commerce on 8 November 2023.

## 11. Investment in joint venture

### 11.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other companies. Details of the investment are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Paid-up capital	Shareholding percentage		Consolidated financial statements				Separate financial statements	
					Net book value based on cost method		Net book value based on equity method		Net book value based on cost method	
		Million Baht	2023	2022	2023	2022	2023	2022	2023	2022
			Percent	Percent						
President Green House Foods Company Limited	Operating the Japanese restaurant	15	39	39	5,850	5,850	35,644	34,788	5,850	5,850
Total investment in joint venture					5,850	5,850	35,644	34,788	5,850	5,850

In May 2008, the Company, together with a foreign company and a local company, jointly established President Green House Foods Company Limited to operate a Japanese restaurant. The Company had invested in 585,000 ordinary shares of this company at par value Baht 10 per share, amounting to Baht 5.85 million, or equivalent to 39% interest, and has treated this investment as investment in joint venture.

### 11.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in joint venture during the years		Share of other comprehensive income from investment in joint venture during the years		Dividend received during the years	
	2023	2022	2023	2022	2023	2022
President Green House Foods Company Limited	6,706	6,781	-	(122)	5,850	3,217
Total	6,706	6,781	-	(122)	5,850	3,217

### 11.3 Summarised financial information of joint venture

Summarised information about financial position

	(Unit: Million Baht)	
	As at 31 December	
	<u>2023</u>	<u>2022</u>
<b>President Green House Foods Company Limited</b>		
Cash and cash equivalents	23.9	14.6
Other current assets	66.4	82.0
Non-current assets	36.2	33.6
Other current liabilities	(25.0)	(26.4)
Non-current liabilities	(10.1)	(14.6)
<b>Net assets</b>	<b>91.4</b>	<b>89.2</b>
Shareholding percentage	39%	39%
<b>Share of net assets</b>	<b>35.6</b>	<b>34.8</b>
<b>Carrying amounts of joint venture based on equity method</b>	<b>35.6</b>	<b>34.8</b>

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the years ended 31 December	
	<u>2023</u>	<u>2022</u>
<b>President Green House Foods Company Limited</b>		
Sales and service income	128.6	106.5
Other income	1.6	0.9
Expenses	108.7	85.6
Finance income	1.1	0.4
Finance cost	1.2	0.5
Income tax expenses	4.2	4.3
Profit for the year	17.2	17.4
Total comprehensive income for the year	17.2	17.1



## 12. Other financial assets

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	2023	2022
<u>Debt instruments at amortised cost</u>		
Fixed deposits	1,588,471	1,486,989
Corporate bonds or fixed deposit receipts	2,533,502	2,203,863
Total debt instruments at amortised cost	4,121,973	3,690,852
<u>Debt instruments at FVOCI</u>		
Bank of Thailand bonds	1,581,780	1,292,369
Corporate bonds, notes or debt instruments	702,880	808,362
Total debt instruments at FVOCI	2,284,660	2,100,731
<u>Equity instruments designated at FVOCI</u>		
Listed equity instruments		
C.P. ALL Public Co., Ltd	13,395	15,479
Airports of Thailand Public Co., Ltd.	10,540	27,600
Gulf Energy Development Public Co., Ltd.	6,989	18,677
Others	179,580	329,194
Non-listed equity instruments		
KingBridge Tower Co., Ltd. (formerly known as "Saha Capital Tower Co., Ltd.")	425,000	275,000
President Flour Mills Co., Ltd.	237,894	182,040
King Square Development Co., Ltd.	40,387	35,387
Others	10,000	10,000
Mutual funds and unit trusts		
Hydrogen Freehold and Leasehold Real Estate Investment Trust	176,400	180,000
Others	29,570	27,390
Total equity instruments designated at FVOCI	1,129,755	1,100,767
<u>Financial assets at FVTPL</u>		
Open-end fund	-	13,520
Total financial assets at FVTPL	-	13,520
<b>Total other financial assets</b>	<b>7,536,388</b>	<b>6,905,870</b>
<b>Classified as:</b>		
Other current financial assets	5,375,869	4,719,327
Other non-current financial assets	2,160,519	2,186,543
<b>Total other current financial assets</b>	<b>7,536,388</b>	<b>6,905,870</b>

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements			
	31 December 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
<b>Financial assets</b>				
Quoted debt investments	2,292	2,285	2,106	2,108
Non-listed equity investments	555	713	400	367
Listed equity investments	236	211	379	313
Mutual fund and unit trust investments	215	206	212	32
Open-end fund investments	-	-	23	95
<b>Total</b>	<b>3,298</b>	<b>3,415</b>	<b>3,120</b>	<b>2,915</b>

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Group considers these investments to be strategic in nature.

During the year 2023, the Company sold its equity interest in some listed equity investment as this investment no longer coincides with the Company's investment strategy. The fair value on the date of sale was totaling of Baht 518.4 million (2022: Baht 485.3 million) and the accumulated loss recognised in other comprehensive income net of income tax of Baht 6.4 million (2022: accumulated gain recognised in other comprehensive income net of income tax of Baht 5.3 million) was transferred to retained earnings.

During the year 2023, the Company received dividend income of Baht 7.7 million (2022: Baht 5.9 million) from President Flour Mills Company Limited.

In addition, during the year 2023, the Company received dividends in the amount of Baht 14.3 million (2022: Baht 10.4 million) from listed equity investments.

During the year 2023, KingBridge Tower Co., Ltd. (formerly known as "Saha Capital Tower Co., Ltd.") called the second of its additional share capital of 25 percent and the Company paid the share subscription of Baht 75 million in February 2023 to maintain the same shareholding position. Furthermore, such company called the third of its additional share capital of 25 percent so the Company paid the share subscription of Baht 75 million in August 2023. The Company has treated this investment as equity instruments designated at FVOCI.

During the year 2023, King Square Development Co., Ltd. called up the rest of 12.5 percent of its additional share capital and the Company paid the share subscription of Baht 5 million in August 2023. The Company has treated this investment as equity instruments designated at FVOCI.

### 13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements						Total
	Land	Buildings and improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	
<b>Cost</b>							
1 January 2022	1,257,068	2,019,703	4,608,531	1,035,477	1,041,339	45,064	10,007,182
Additions	29,000	-	-	33,742	1,026	211,972	275,740
Transfers in (out)	-	14,867	23,105	30,080	87,029	(155,081)	-
Disposals	-	-	(450)	(12,557)	(5,408)	-	(18,415)
31 December 2022	1,286,068	2,034,570	4,631,186	1,086,742	1,123,986	101,955	10,264,507
Additions	124,700	-	-	53,393	800	255,715	434,608
Transfers in (out)	-	113,255	20,573	29,228	147,480	(310,536)	-
Disposals	-	-	-	(21,554)	(20,131)	-	(41,685)
31 December 2023	1,410,768	2,147,825	4,651,759	1,147,809	1,252,135	47,134	10,657,430
<b>Accumulated depreciation</b>							
1 January 2022	-	890,314	3,742,873	934,730	1,013,380	-	6,581,297
Depreciation for the year	-	95,181	200,612	54,484	16,866	-	367,143
Depreciation - disposals	-	-	(450)	(12,336)	(5,408)	-	(18,194)
31 December 2022	-	985,495	3,943,035	976,878	1,024,838	-	6,930,246
Depreciation for the year	-	99,610	168,138	51,967	38,605	-	358,320
Depreciation - disposals	-	-	-	(21,463)	(20,130)	-	(41,593)
31 December 2023	-	1,085,105	4,111,173	1,007,382	1,043,313	-	7,246,973
<b>Net book value</b>							
31 December 2022	1,286,068	1,049,075	688,151	109,864	99,148	101,955	3,334,261
31 December 2023	1,410,768	1,062,720	540,586	140,427	208,822	47,134	3,410,457
<b>Depreciation for the year</b>							
2022 (Baht 304 million included in manufacturing cost, and the balance included in selling and administrative expenses)							367,143
2023 (Baht 267 million included in manufacturing cost, and the balance included in selling and administrative expenses)							358,320

As at 31 December 2023, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 5,039.5 million (2022: Baht 4,873.3 million).

As at 31 December 2023, the Company has equipment which was held for sales, with net book value amounting to Baht 0.3 million (2022: Baht 0.3 million). Therefore, such equipment are transferred out to be presented as other current assets in the statement of financial position.

#### 14. Intangible assets

Details of intangible assets, which are computer software, are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<b>Cost</b>		
Balance - beginning of year	39,940	38,434
Additions	1,612	1,506
Balance - end of year	41,552	39,940
Less: Accumulated amortisation	(31,629)	(28,374)
Net book value	<u>9,923</u>	<u>11,566</u>
Amortisation expenses included in the statements of comprehensive income	<u>3,255</u>	<u>1,450</u>

#### 15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables - related parties	77,637	120,022	77,637	120,022
Trade payables - unrelated parties	461,184	481,233	461,184	481,233
Other payables - related parties	1,571	1,350	1,571	1,350
Other payables - unrelated parties	119,530	116,267	119,450	116,267
Other payables for acquisitions of property, plant and equipment - related party	-	4,922	-	4,922
Other payables for acquisitions of property, plant and equipment - unrelated parties	37,015	58,704	37,015	58,704
Total trade and other payables	<u>696,937</u>	<u>782,498</u>	<u>696,857</u>	<u>782,498</u>



## 16. Leases

### The Company as lessee

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 6 years.

Lease contracts have restriction that the underlying asset must not be subleased or used by others and several lease contracts specify the option to extend or end the lease terms.

#### 16.1 Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)		
	Consolidated financial statements/ Separate financial statements		
	Buildings and improvements	Furniture and office equipment	Total
1 January 2022	7,211	1,776	8,987
Additions	30,377	-	30,377
Remeasurement/termination	(432)	-	(432)
Depreciation for the year	(9,368)	(1,020)	(10,388)
31 December 2022	27,788	756	28,544
Additions	1,457	5,235	6,692
Remeasurement/termination	-	(454)	(454)
Depreciation for the year	(12,533)	(1,321)	(13,854)
31 December 2023	16,712	4,216	20,928

#### 16.2 Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Lease payments	22,078	30,023
Less: Deferred interest expenses	(1,260)	(2,015)
Net	20,818	28,008
Less: Portion due within one year	(12,426)	(12,444)
Lease liabilities - net of current portion	8,392	15,564

Movement of lease liabilities for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	28,008	9,255
Addition during the year	6,692	30,377
Remeasurement/termination	(454)	(432)
Accretion of interest	1,396	890
Repayment during the year	(14,824)	(12,082)
Balance at end of year	<u>20,818</u>	<u>28,008</u>

A maturity analysis of lease payments is disclosed in Note 31 under the liquidity risk.

### 16.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	13,854	10,388
Interest expense on lease liabilities	1,396	890
Expense relating to short-term leases	1,898	1,704
Expense relating to variable lease payments that do not depend on an index or a rate	13,173	13,544

The Company has lease contracts for office building space that contains variable payments based on sales. The lease term is 1 year.

### 16.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 29.9 million (2022: Baht 27.3 million), including the cash outflow related to short-term lease and leases of variable lease payments that do not depend on an index or a rate. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 6.7 million (2022: Baht 30.4 million).

## 17. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements					
	2023			2022		
	Employee retirement benefits	Other long-term employee benefits	Total	Employee retirement benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee benefits at beginning of year</b>	92,903	4,831	97,734	81,728	6,744	88,472
Included in profit or loss:						
Current service cost	5,787	911	6,698	4,932	658	5,590
Interest cost	2,023	85	2,108	1,255	53	1,308
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	-	501	501
Financial assumptions changes	-	-	-	-	(105)	(105)
Experience adjustments	-	-	-	-	(2,690)	(2,690)
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	226	-	226
Financial assumptions changes	-	-	-	(9,510)	-	(9,510)
Experience adjustments	-	-	-	25,138	-	25,138
Benefits paid during the year	(14,344)	(760)	(15,104)	(10,866)	(330)	(11,196)
<b>Provision for long-term employee benefits at end of year</b>	<b>86,369</b>	<b>5,067</b>	<b>91,436</b>	<b>92,903</b>	<b>4,831</b>	<b>97,734</b>

The Company expects to pay Baht 11.0 million of long-term employee benefits during the next year (2022: Baht 16.0 million).

As at 31 December 2023 and 2022, the weighted average duration of the liabilities for long-term employee benefits are summarised below.

	(Unit: Year)	
	Consolidated financial statements/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Employee retirement benefits		
(depending on category of employees and type of benefits)	11.2	11.2
Other long-term employee benefits		
(depending on category of employees)	11.2	11.2
Significant actuarial assumptions are summarised below.		
	Consolidated financial statements/Separate financial statements	
	<u>2023</u>	<u>2022</u>
	(% per annum)	(% per annum)
Discount rate	1.9 - 2.3	1.4 - 2.2
(depending on category of employees and type of benefits)		
Salary increase rate	2.6 - 2.7	2.6 - 2.7
(depending on category of employees)		

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)			
	Consolidated financial statements/ Separate financial statements			
	As at 31 December 2023			
	Discount rate		Salary increase rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Employee retirement benefits	(5.6)	6.2	3.5	(3.3)
Other long-term employee benefits	(0.1)	0.1	-	-



(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements			
	As at 31 December 2022			
	Discount rate		Salary increase rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Employee retirement benefits	(5.9)	6.6	3.2	(3.1)
Other long-term employee benefits	(0.2)	0.2	-	-

**18. Statutory reserve**

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

**19. Other income**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Dividend income from investments	21,969	16,243	21,969	16,243
Gain on sales of FVOCI debt instruments	2,445	-	2,445	-
Other income	32,822	25,866	38,672	29,083
<b>Total</b>	<b>57,236</b>	<b>42,109</b>	<b>63,086</b>	<b>45,326</b>

**20. Finance income**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest income on debt instruments measured				
at amortised cost	66,060	30,077	65,887	30,077
Interest received from debt instruments at FVOCI	39,548	25,704	39,548	25,704
<b>Total</b>	<u>105,608</u>	<u>55,781</u>	<u>105,435</u>	<u>55,781</u>

**21. Finance cost**

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Interest expenses on lease liabilities	1,396	890
<b>Total</b>	<u>1,396</u>	<u>890</u>

**22. Expenses by nature**

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Raw materials and consumables used	5,516,073	2,868,857
Changes in inventories of finished goods and work in process	(35)	(1,742)
Salaries and wages and other employee benefits	1,541,445	1,500,235
Depreciation and amortisation	375,430	378,981
Fuel and vehicle related expenses	280,436	290,006
Water and electricity expenses	212,419	188,516
Natural gas expenses	70,580	74,505

### 23. Income tax

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

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>				
Current income tax charge	265,568	244,325	265,551	244,325
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,852	(2,836)	3,852	(2,836)
<b>Income tax expenses reported in the profit or loss</b>	<u>269,420</u>	<u>241,489</u>	<u>269,403</u>	<u>241,489</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax relating to:				
Actuarial loss	-	(2,400)	-	(2,400)
Gain (loss) on changes in value of financial asset measured at FVOCI	1,578	(10,308)	1,578	(10,308)
	<u>1,578</u>	<u>(12,708)</u>	<u>1,578</u>	<u>(12,708)</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<u>2023</u>	<u>2022</u>
Accounting profit before tax	1,977,190	1,948,461
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	395,438	389,692
Effects of:		
Promotional privileges (Note 26)	(122,182)	(143,045)
Non-deductible expenses	627	500
Additional expense deductions allowed	(1,592)	(3,132)
Income not subject to tax	(2,871)	(2,526)
Total	(126,018)	(148,203)
Income tax expenses reported in the profit or loss	269,420	241,489

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

	(Unit: Thousand Baht)	
	Consolidated financial statements/	Separate financial statements
	<u>2023</u>	<u>2022</u>
<b>Deferred tax assets</b>		
Lease	-	83
Provision for long-term employee benefits	12,016	12,555
Accumulated depreciation - plant and equipment	353	158
Loss on changes in value of financial asset measured at FVTPL	-	1,807
Total	12,369	14,603
<b>Deferred tax liabilities</b>		
Lease	22	-
Gain on changes in value of financial asset measured at FVOCI	21,152	19,574
Total	21,174	19,574
<b>Deferred tax liabilities - net</b>	(8,805)	(4,971)



## 24. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit for the year (Thousand Baht)	1,707,771	1,706,973	1,706,858	1,703,409
Weighted average number of ordinary shares (Thousand shares)	450,000	450,000	450,000	450,000
Basic earnings per share (Baht)	3.80	3.79	3.79	3.79

## 25. Dividend payments

During the years ended 31 December 2023 and 2022, the Company had dividend payments as follows:

	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b>For the year 2023</b>				
Final dividends for 2022	Annual General Meeting of the shareholders on 28 April 2023	513,000	1.14	24 May 2023
Interim dividend on the profit for the six-month period ended 30 June 2023	The meeting of the Group's Board of directors No. 8/2023 on 21 August 2023	387,000	0.86	19 September 2023
Total dividend payments for 2023		<u>900,000</u>	<u>2.00</u>	
<b>For the year 2022</b>				
Final dividends for 2021	Annual General Meeting of the shareholders on 28 April 2022	477,000	1.06	26 May 2022
Interim dividend on the profit for the six-month period ended 30 June 2022	The meeting of the Group's Board of directors No. 8/2021 on 22 August 2022	387,000	0.86	19 September 2022
Total dividend payments for 2022		<u>864,000</u>	<u>1.92</u>	

## 26. Promotional privileges

The Company has received the promotional privileges from the Board of Investment under the Investment Promotion Act B.E. 2520 as follows:

Certificate No.	1343(2)/2555	66-1455-2-00-1-0	66-1637-2-04-1-0
Date	22 March 2012	20 October 2023	20 November 2023
1. Promotional privileges for	Manufacture of bakery products	Manufacture of sliced bread	Manufacture of whole grain products
2. Significant privileges			
2.1 Exemption from import duty on approved machinery	Granted	Granted	Granted
2.2 Exemption from corporate income tax on net income from promoted operation (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the operations on which the corporate income tax is exempted throughout the corporate income tax exemption period	8 years (not over 100 percent of investment excluding land and working capital)	6 years (not over 100 percent of investment excluding land and working capital)	3 years (not over Baht 8.8 million or equivalent to 50 percent of investment in the improvement the production efficiency for the use of alternative energy excluding land and working capital)
2.3 Allowance to deduct operating loss incurred during the corporate income tax exemption period from net income incurred thereafter (after exemption period in 2.2)	5 years	5 years	5 years
3. Commencing date	1 June 2017	Not yet commenced	Not yet commenced

Sales of the Company are derived from domestic sales which could be segregated between promoted and non-promoted operations as follows:

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Sales		
Promoted operations	2,352	2,721
Non-promoted operations	5,218	4,808
Total sales	<u>7,570</u>	<u>7,529</u>

## **27. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent and 3 - 15 percent of basic salary, respectively. The fund, which is managed by Tisco Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2023, the Company recognised the contributions of Baht 23.4 million (2022: Baht 25.0 million) as expenses.

## **28. Operating 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 Managing Director.

The one main reportable operating segment of the Company is manufacture and sales of bakery products and the single geographical area of its operations is Thailand. The distribution channels are through wholesale and retail. The wholesale for the year ended 31 December 2023 amounted to approximately Baht 6,593 million, or 87.4% of total sales (2022: Baht 6,844 million, or 90.9% of total sales). The Company's sales were from a main local customer, representing about 52.1% of total sales (2022: 51.7 % of total sales). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

## **29. Commitments and contingent liabilities**

### **29.1 Capital commitments**

As at 31 December 2023, the Company had capital commitments in respect of procurement agreements for production machinery and equipment of approximately Euro 9.8 million, USD 0.1 million and AUD 0.03 million, totaling approximately Baht 391.1 million (2022: AUD 0.03 million and USD 0.07 million, totaling approximately Baht 5.4 million).

**29.2 Short-term lease and other service commitments**

The Company and the joint venture have entered into several short-term lease contracts and related services. The terms of the agreements are generally between 3 months and 3 years.

As at 31 December 2023, future lease and service fees payables under these lease and service contracts were as follows:

	(Unit: Million Baht)	
	The Group	Joint venture
<u>Payable:</u>		
Within 1 year	5.0	4.7
1 to 3 years	0.3	2.9
Total	5.3	7.6

**29.3 Long-term service commitments**

The joint venture entered into the license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to operation and management of restaurants. Under the conditions of the agreement, the joint venture is to pay an annual license fee as stipulated in the agreement. The license fees for the year 2023 amounted to approximately Baht 2.9 million (2022: Baht 2.4 million).

**29.4 Long-term purchase commitments**

The Company has commitments under natural gas purchase agreement for a period of 1 - 7 years. Under the agreement, the Company is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

No.	Period (Years)	Expired date	Average minimum quantity purchase (Million BTU)
1.	1	31 December 2024	282 per day
2.	7	30 November 2029	22,211 per annum
3.	7	30 November 2029	43,859 per annum



## 29.5 Guarantees

As at 31 December 2023, there were bank guarantees of approximately Baht 32.9 million (2022: Baht 31.4 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of the Company's business. These included letters of guarantee amounting to Baht 26.0 million (2022: Baht 25.9 million) to guarantee electricity use, Baht 3.5 million (2022: Baht 3.5 million) to guarantee contractual performance under the natural gas purchase agreement, Baht 3.2 million (2022: Baht 1.8 million) to guarantee sales, and Baht 0.2 million for land rental (2022: Baht 0.2 million).

## 29.6 Investment commitments

As at 31 December 2023, the Company has commitment to invest in additional issued ordinary shares of KingBridge Tower Co., Ltd. (formerly known as "Saha Capital Tower Company Limited") in proportion to the Company's shareholding in total balance of Baht 75 million (31 December 2022: Baht 225 million).

## 29.7 Loan guarantee

As at 31 December 2023, the Company has a loan guarantee for King Square Development Co., Ltd. The loan guarantee amounts to Baht 80.5 million, representing 5 percent of the Baht 1,610 million credit line from a bank in proportion to the shareholding. The guarantee period is 4 years.

## 30. Fair value hierarchy

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

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	2023			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed equity instruments	210,504	-	-	210,504
Debt instruments	-	2,284,660	-	2,284,660
Non-listed equity instruments	-	-	713,281	713,281
Mutual funds and unit trusts	-	205,970	-	205,970
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at FVTPL				
Derivatives liabilities				
Foreign currency forward contracts	-	353	-	353

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed equity instruments	390,950	-	-	390,950
Debt instruments	-	2,100,731	-	2,100,731
Non-listed equity instruments	-	-	502,427	502,427
Mutual funds and unit trusts	-	207,390	-	207,390
Financial assets measured at FVTPL				
Open-end fund	-	13,520	-	13,520
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at FVTPL				
Derivatives liabilities				
Foreign currency forward contracts	-	151	-	151

**31. Financial instruments****31.1 Derivatives**

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2023	2022
<b>Derivatives liabilities</b>		
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	353	151
<b>Total derivatives liabilities</b>	<b>353</b>	<b>151</b>

**Derivatives not designated as hedging instruments**

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 - 2 months.

### 31.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable and investments in debt and equity instruments. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

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

##### Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. The normal credit term is 7 days to 60 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are past due not more than one year.

##### Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on a monthly basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

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

#### **Market risk**

There are two types of market risk comprising interest rate risk and currency risk. The Group enters into derivatives to manage its risk exposure that are foreign exchange forward contracts to hedge the foreign currency risk arising on the import of goods and equipment.

**Foreign currency risk**

The Company's exposure to the foreign currency risk relates primarily to its purchase of goods and equipment 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.

The balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements/ Separate financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
Japanese yen	23,846	12,452	0.2457	0.2645
Yuan renminbi	917	1,249	4.8747	5.0375
US dollar	696	768	34.3876	34.7335

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Company's profit 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 2023 and 2022. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Consolidated financial statements/Separate financial statements			
	2023		2022	
	Change in foreign currency rate	Effect on profit before tax	Change in foreign currency rate	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+13.5	(3,229)	+19.2	(5,124)
	-13.5	3,229	-19.2	5,124

The information is not a forecast or prediction of future market conditions.



## Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks. Financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2023						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	552	17	569	0.10 - 1.05
Trade and other receivables	-	-	-	1,030	1,030	-
Other current financial assets	5,290	-	86	-	5,376	0.50 - 4.80
Other non-current financial assets	-	1,030	-	1,130	2,160	0.95 - 5.05
	5,290	1,030	638	2,177	9,135	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	697	697	-
Liabilities under lease agreements	12	8	-	-	20	5.24 - 6.97
	12	8	-	697	717	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2022						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	400	-	236	13	649	0.10 - 1.50
Trade and other receivables	-	-	-	1,003	1,003	-
Other current financial assets	4,663	-	56	-	4,719	0.15 - 5.35
Other non-current financial assets	-	1,073	-	1,114	2,187	0.75 - 5.05
	5,063	1,073	292	2,130	8,558	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	782	782	-
Liabilities under lease agreements	12	16	-	-	28	5.24 - 6.01
	12	16	-	782	810	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2023						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate  (% p.a.)	
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalents	-	-	427	17	444	0.10 - 1.05
Trade and other receivables	-	-	-	1,030	1,030	-
Other current financial assets	5,290	-	86	-	5,376	0.50 - 4.80
Other non-current financial assets	-	1,030	-	1,130	2,160	0.95 - 5.05
	5,290	1,030	513	2,177	9,010	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	697	697	-
Liabilities under lease agreements	12	8	-	-	20	5.24 - 6.97
	12	8	-	697	717	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)	
Within 1 year	1 - 5 years					
<b>Financial assets</b>						
Cash and cash equivalents	400	-	236	13	649	0.10 - 1.50
Trade and other receivables	-	-	-	1,003	1,003	-
Other current financial assets	4,663	-	56	-	4,719	0.15 - 5.35
Other non-current financial assets	-	1,073	-	1,114	2,187	0.75 - 5.05
	5,063	1,073	292	2,130	8,558	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	782	782	-
Liabilities under lease agreements	12	16	-	-	28	5.24 - 6.01
	12	16	-	782	810	

### Liquidity risk

The Group manages liquidity risk to meet its obligations and maintain cash balances to cover the liquidity needs. The Group has assessed that the Group has sufficient working capital to settle financial liabilities and concluded the risk to be low.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)			
Consolidated financial statements			
As at 31 December 2023			
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	696,937	-	696,937
Lease liabilities	13,277	8,801	22,078
<b>Total non-derivatives</b>	<b>710,214</b>	<b>8,801</b>	<b>719,015</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	353	-	353

(Unit: Thousand Baht)			
Consolidated financial statements			
As at 31 December 2022			
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	782,498	-	782,498
Lease liabilities	13,646	16,377	30,023
<b>Total non-derivatives</b>	<b>796,144</b>	<b>16,377</b>	<b>812,521</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	151	-	151

(Unit: Thousand Baht)			
Separate financial statements			
As at 31 December 2023			
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	696,857	-	696,857
Lease liabilities	13,277	8,801	22,078
<b>Total non-derivatives</b>	<b>710,134</b>	<b>8,801</b>	<b>718,935</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	353	-	353

(Unit: Thousand Baht)			
Separate financial statements			
As at 31 December 2022			
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	782,498	-	782,498
Lease liabilities	13,646	16,377	30,023
<b>Total non-derivatives</b>	<b>796,144</b>	<b>16,377</b>	<b>812,521</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	151	-	151

### 31.3 Fair values of financial instruments

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

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivables and trade and other payables, the carrying amounts in the statement of financial position approximate their fair value.
- The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- The fair value of derivatives has been determined 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, interest rate yield curves and commodity price yield curves. The Company considers to counterparty credit risk when determining the fair value of derivatives.

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



### 31.4 Reconciliation of recurring fair value measurements, of financial assets, categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht)
	Consolidated financial statements and
	Separate financial statement
	Non-listed equity instrument
<b>Balance as of 1 January 2022</b>	488,593
Acquired during the year	35,387
Net loss recognised into other comprehensive income	(21,553)
<b>Balance as of 31 December 2022</b>	502,427
Acquired during the year	155,000
Net gain recognised into other comprehensive income	55,854
<b>Balance as of 31 December 2023</b>	713,281

Key assumptions used in the valuation are summarised below.

Financial instrument	Valuation technique	Significant unobservable output	Rates
Non-listed equity instrument	Discounted cash flow	Weighted average cost of capital	10.57% - 10.71%

	(Unit: Million Baht)			
	<b>Sensitivity of the input to fair value</b>			
	Increase	Decrease	Increase	Decrease
	0.05%	0.05%	0.10%	0.10%
Fair value	(0.9)	0.9	(1.9)	1.9

## 32. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Group's debt-to-equity ratio was 0.10:1 (2022: 0.12:1) and the Company's debt-to-equity ratio was 0.10:1 (2022: 0.12:1).

## 33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2024.

## Attachment 1

Details of Directors, Executives, Company Secretary and those who are directly responsible for accounting supervision as of 31 December 2023

## 1. Mr. Pipat Paniangvait

Honorary Chairman / Director  
Age 84 Years

### Shareholding <sup>/1</sup>

- Self 14,896,150 Shares (3.31%) / Spouse 63,250 Shares (0.01%)

### Education

- Honorary Doctor of Arts Food Science and Technology  
Rajamangala University of Technology Tawan-ok
- Honorary Doctor of Arts Business Administration North University-Chiang Mai
- Honorary Doctorate Degree Department of Home Economics Development,  
Faculty of Education Ramkhamhaeng University
- Master's degree in Business Administration Thammasat University
- Bachelor's degree in Education Science Quanzhou Physical Culture institute People's  
Republic of China
- Stamford Executive Program at Stamford University California, USA.
- Received a scholarship to attend seminars in the course of Top Management Seminar on  
Japanese Business (TOPS-V) of The Association for Overseas Technical, Japan
- Graduated with National Defence Diploma, Class 2 National Defense College Institute
- Attended training at Havard University, USA

### Work Experience in the Past 5 Years

• 2019-Present	Honorary Director	The Thai Chamber of Commerce
• 2019-Present	Expert	National Olympic Committee of Thailand
• 2009-2020	Treasurer	Federation Internationale de Natation (FINA)

### Listed Company

• October 2022-Present	Honorary Chairman / Director	President Bakery Public Company Limited
• 2019-October 2022	Chairman of the Board of Directors	President Bakery Public Company Limited
• 2019-Present	Chairman of the Nomination and Remuneration Committee	President Bakery Public Company Limited
• October 2022-Present	Chairman of the Board of Directors and Chairman of the Executive Board	Thai President Foods Public Company Limited
• 2019-October 2022	Chief Executive Officer/ Vice-chairman of the Board	Thai President Foods Public Company Limited
• 2019-Present	Director	Saha Pathana Inter-Holding Public Company Limited

### Director/Management Position

#### Other Listed Company

• Chairman of the Board of Directors and Chairman of the Executive Board	Thai President Foods Public Company Limited
• Director	Saha Pathana Inter-Holding Public Company Limited

#### Other Non Listed Company

- 4 Places

### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)  
Director Certification Program 2004

### Relationships Regarding

- As the father of director No. 7 and 8

### Family Between Executives

### Any Position in Other Business or Other Organizations in the

- None

### Previous Year which has an Impact the Time Devoted Significant



## 2. Mr. Apichart Thammanomai

Chairman of the Board of Directors and Chairman of the Executive Board  
Age 74 Years

### Shareholding <sup>/1</sup>

- Self 1,819,970 Shares (0.40%) / Spouse 1,500,000 Shares (0.33%)

### Education

- Bachelor's degree in Political Science Ramkhamhaeng University
- Mini MBA in Management Thammasat University

### Work Experience in the Past 5 Years

#### Listed Company

- |                         |   |   |
|-------------------------|---|---|
| • November 2022-Present | Chairman of the Board of Directors<br>and Chairman of the Executive Board | President Bakery Public Company Limited     |
| • 2019-October 2022     | Vice Chairman of the Board and<br>Managing Director                       | President Bakery Public Company Limited     |
| • 2019-Present          | Director of the Nomination and<br>Remuneration Committee                  | President Bakery Public Company Limited     |
| • 2019-Present          | Director  | Thai President Foods Public Company Limited |

### Director/Management Position

- |                             |            |   |
|-----------------------------|------------|---|
| <b>Other Listed Company</b> | • Director | Thai President Foods Public Company Limited |
|-----------------------------|------------|---|

- |                                 |            |
|---------------------------------|------------|
| <b>Other Non Listed Company</b> | • 2 Places |
|---------------------------------|------------|

### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)  
Director Certification Program 2005
- Director Accreditation Program 2003

- |                                |                                   |
|--------------------------------|-----------------------------------|
| <b>Relationships Regarding</b> | • As the father of director No. 3 |
|--------------------------------|-----------------------------------|

### Family Between Executives

- |  |        |
|--|--------|
| <b>Any Position in Other Business or Other Organizations in the<br/>Previous Year which has an Impact the Time Devoted Significant</b> | • None |
|--|--------|



### 3. Mr. Apisate Thammanomai

Managing Director

Age 41 Years

#### Shareholding <sup>/1</sup>

- 3,344,810 Shares (0.74%)

#### Education

- Master of Art in Business and Managerial Economics (Part time program)  
Faculty of Economics, Chulalongkorn University
- Master of Science in Computer System Engineering (Software Engineering)  
Boston University Thesis "Engineering a System-level Instruction-set Simulator"
- Bachelor of Engineering, Program In Computer Engineering (Second Class Honors)  
Faculty of Engineering, Kasetsart University Engineering
- Project Work "Bayesian based Website Classification system"

#### Work Experience in the Past 5 Years

##### Listed Company

- |                         |   |   |
|-------------------------|---|---|
| • November 2022-Present | Managing Director   | President Bakery Public Company Limited |
| • 2019-November 2022    | Vice Managing Director  | President Bakery Public Company Limited |
| • 2019-Present          | Corporate Governance, Risk Management<br>and Sustainability Committee | President Bakery Public Company Limited |
| • October 2022-Present  | Investment Committee  | President Bakery Public Company Limited |

#### Director/Management Position

##### Other Listed Company

- None

##### Other Non Listed Company

- 3 Places

#### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)  
Director Accreditation Program 2016

#### Relationships Regarding

- As the son of director No. 2

#### Family Between Executives

#### Any Position in Other Business or Other Organizations in the

- None

#### Previous Year which has an Impact the Time Devoted Significant





#### 4. Mr. Vichai Kulsomphob

Director

Age 46 Years

##### Shareholding <sup>/1</sup>

- Self 100,000 Shares (0.02%) / Spouse -None-

##### Education

- Bachelor's Degree of Business Administration Chulalongkorn University
- Master of Advanced Business Practice University of South Australia
- Master of Marketing (English Program), Thammasat University
- Master of International Business (Exchange Program)
- Norwegian School of Economics and Business Administration, Norway
- Business and Industrial Development Program (Class 1), Institute of Business and Industrial Development
- OIC Advanced Insurance Institute (Class 1), Office of Insurance Commission
- Executive Leadership Program (Class 2) Wharton Business School, University of Pennsylvania, USA & NIDA, Thailand
- Real Estate Management Program for Executive (RE-CU26) Chulalongkorn University
- Investment Planner Certification, Chulalongkorn University
- Investment Planner Certification, Association of Investment Management Companies
- Bhumpalung Phandin for Top Executive (Class 4) Chulalongkorn University
- Strategic CFO in Capital Market Program (Class 4) Thailand Securities Institute, The Stock Exchange of Thailand

##### Work Experience in the Past 5 Years

###### Listed Company .

- |                              |                                      |  |
|------------------------------|--------------------------------------|--|
| • 2019-Present               | Director                             | President Bakery Public Company Limited                  |
| • October 2022-Present       | Chairman of the Investment Committee | President Bakery Public Company Limited                  |
| • 2019-Present               | President /                          | Saha Pathana Inter-Holding Public Company Limited        |
|                              | Chairman of Executive the Board      |  |
| • December 2021-Present      | Director                             | Sahacogen (Chonburi) Public Company Limited              |
| • January 2021-December 2021 | The Chairman of Executive Committee  | Sahacogen (Chonburi) Public Company Limited              |
| • 2019-December 2020         | Director                             | Sahacogen (Chonburi) Public Company Limited              |
| • 2018-Present               | Director                             | Samsung Life Insurance (Thailand) Public Company Limited |

##### Director/Management Position

###### Other Listed Company

- |                                 |   |
|---------------------------------|---|
| • President /                   | Saha Patthana Inter-Holding Public Company Limited            |
| Chairman of Executive the Board |   |
| • Director                      | Sahacogen (Chonburi) Public Company Limited                   |
| • Director                      | Thai Samsung Life Insurance (Thailand) Public Company Limited |

###### Other Non Listed Company

- 70 Places

##### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) Class 61/2005
- Company Secretary Program (CSP) Class 18/2006

##### Relationships Regarding

- None

##### Family Between Executives

##### Any Position in Other Business or Other Organizations in the

- None

##### Previous Year which has an Impact the Time Devoted Significant



## 5. Miss Petcharat Anantawichai

Director and Senior Management Accounting Dept. and Finance Dept.  
Manager, Company Secretary, Chief Financial Officer  
Age 55 Years

### Shareholding <sup>/1</sup>

- Self 50,000 Shares (0.01%) / Spouse -None-

### Education

- Bachelor's Degree in Accounting Thammasat University

### Work Experience in the Past 5 Years

#### Listed Company

• 2019-Present	Director and Senior Management Accounting Dept. and Finance Dept. Manager	President Bakery Public Company Limited
• 2019-Present	Corporate Governance, Risk Management and Sustainability Committee	President Bakery Public Company Limited
• October 2022-Present	Investment Committee	President Bakery Public Company Limited
• 2018-Present	Company Secretary	President Bakery Public Company Limited

### Director/Management Position

#### Other Listed Company

- None

#### Other Non Listed Company

- 2 Place

### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD) Director Accreditation Program 2016

### Continuing Profession Development (CPD)

- Thai Financial Reporting Standards Course: TFRS 2023
- Consolidate Financial Statement
- Update Tax 2023
- AEC Business Forum 2023
- SEC Capital Market Symposium 2023
- Getting ahead of the changing consumer and Disruption

### Relationships Regarding

- None

### Family Between Executives

### Any Position in Other Business or Other Organizations in the

- None

### Previous Year which has an Impact the Time Devoted Significant



## 6. Miss Panida Prayottaweekij

Director and Assistant Managing Director

Age 57 Years

<b>Shareholding <sup>/1</sup></b>		
<ul style="list-style-type: none"><li>• 25,000 Shares (0.01%)</li></ul>		
<b>Education</b>		
<ul style="list-style-type: none"><li>• Master of Science in Food Processing and Technology The Ohio State University, USA</li><li>• Bachelor of Science in Agro-Industrial Product Development, Kasetsart University</li></ul>		
<b>Work Experience in the Past 5 Years</b>		
<b>Listed Company</b>		
<ul style="list-style-type: none"><li>• 2022-Present</li></ul>	Director and Assistant Managing Director	President Bakery Public Company Limited
<ul style="list-style-type: none"><li>• 2019-2021</li></ul>	Director and Senior Production Manager	President Bakery Public Company Limited
<ul style="list-style-type: none"><li>• 2019-Present</li></ul>	Corporate Governance, Risk Management and Sustainability Committee	President Bakery Public Company Limited
<b>Director/Management Position</b>		
<b>Other Listed Company</b>	<ul style="list-style-type: none"><li>• None</li></ul>	
<b>Other Non Listed Company</b>	<ul style="list-style-type: none"><li>• 1 Place</li></ul>	
<b>Training of Roles and Responsibilities of the Director</b>		
	<ul style="list-style-type: none"><li>• Training from the Thai Institute of Directors Association (IOD) Director Accreditation Program 2016</li></ul>	
<b>Relationships Regarding</b>	<ul style="list-style-type: none"><li>• None</li></ul>	
<b>Family Between Executives</b>		
<b>Any Position in Other Business or Other Organizations in the Previous Year which has an Impact the Time Devoted Significant</b>	<ul style="list-style-type: none"><li>• None</li></ul>	

		
<b>7. Dr. Pojjanee Paniangvait</b> Director Age 60 Years		
<b>Shareholding <sup>/1</sup></b>	• 1,234,480 Shares (0.27%)	
<b>Education</b>	• SASIN Graduate Institute of Business Administration, Bangkok Master of Management • University Of California, Davis Ph.D. in Agricultural and Environmental Chemistry with emphasis on Food Sciences • University Of California, Davis Master of Sciences in Food Sciences • Chulalongkorn University, Bangkok B.S. in Biochemistry	
<b>Work Experience in the Past 5 Years</b>		
<b>Listed Company</b>		
• 2019-Present	Director	President Bakery Public Company Limited
• 2019-Present	Corporate Governance, Risk Management and Sustainability Committee	President Bakery Public Company Limited
• 2022-Present	Corporate Governance and Sustainability Committee	Thai President Foods Public Company Limited
• 2019-Present	Vice President	Thai President Foods Public Company Limited
<b>Director/Management Position</b>		
<b>Other Listed Company</b>	• Corporate Governance and Sustainability Committee / Vice President Thai President Foods Public Company Limited	
<b>Other Non Listed Company</b>	• 10 Places	
<b>Training of Roles and Responsibilities of the Director</b>		
• Training from the Thai Institute of Directors Association (IOD) Director Accreditation Program 2008 • How to Develop a Risk Management Plan (HRP)		
<b>Relationships Regarding Family Between Executives</b>	• As the daughter of director No. 1 and the sister of director No. 8	
<b>Any Position in Other Business or Other Organizations in the Previous Year which has an Impact the Time Devoted Significant</b>	• None	





## 8. Mr. Pun Paniangvait

Director

Age 48 Years

### Shareholding <sup>/1</sup>

- Self 276,870 Shares (0.06%) / Spouse -None-

### Education

- Master of Law (LL.M) in Business Law (International Program), Chulalongkorn University

### Work Experience in the Past 5 Years

• 2019-Present	Executive Director	The Thai Chamber of Commerce
	Chairman of Business Law Committee	and Board of Trade of Thailand
• 2019-Present	Qualified member of Calibration Committee	Department of Internal
	Trade Ministry of Commerce	

### Listed Company

• 2019-Present	Director	President Bakery Public Company Limited
• October 2022-Present	Investment Committee	President Bakery Public Company Limited
• 2019-Present	Investment Committee/	Thai President Foods Public Company Limited
• 2022-Present	Corporate Governance and Sustainability Committee	Thai President Foods Public Company Limited
• June 2023-Present	President Office Manager	Thai President Foods Public Company Limited

### Director/Management Position

<b>Other Listed Company</b>	• Investment Committee/	Thai President Foods Public Company Limited
	Presidents Office, Manager	

### Other Non Listed Company

- 12 Places

### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
- Director Accreditation Program Class 110/2014

### Relationships Regarding

- As the son of director No. 1 and as the brother of director No. 7

### Family Between Executives

### Any Position in Other Business or Other Organizations in the

- None

### Previous Year which has an Impact the Time Devoted Significant



## 9. Miss Saipin Kittipornpimol

Director and Assistant Managing Director

Age 64 Years

### Shareholding <sup>/1</sup>

- None

### Education

- MS (Computer Science) National Institute of Development Administration (NIDA)
- B.SC (Food Technology & Biochemical Technology) Chulalongkorn University

### Work Experience in the Past 5 Years

#### Listed Company

• June 2020-Present	Director and Assistant Managing Director	President Bakery Public Company Limited
• June 2020-Present	Corporate Governance, Risk Management and Sustainability Committee	President Bakery Public Company Limited
• October 2022-Present	Investment Committee	President Bakery Public Company Limited
• 2019-June 2020	Assistant Managing Director	President Bakery Public Company Limited

### Director/Management Position

#### Other Listed Company

- None

#### Other Non Listed Company

- 2 Places

### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP)
- Executive Management Certificate (INSEAD)
- Leadership Training for Executives (JICA)
- Business Process Re-engineering
- Operational Risk Management

### Relationships Regarding

- None

### Family Between Executives

### Any Position in Other Business or Other Organizations in the

- None

### Previous Year which has an Impact the Time Devoted Significant



## 10. Miss Ubolluck Luevoravinyu

Director and Assistant Managing Director

Age 64 Years

### Shareholding <sup>/1</sup>

- None

### Education

- MS (Computer Science) National Institute of Development Administration (NIDA)
- B.SC (Chemical Engineering) Chulalongkorn University

### Work Experience in the Past 5 Years

#### Listed Company

• April 2020-Present	Director and Assistant Managing Director	President Bakery Public Company Limited
• June 2020-Present	Corporate Governance, Risk Management and Sustainability Committee	President Bakery Public Company Limited
• October 2022-Present	Investment Committee	President Bakery Public Company Limited
• 2019-April 2020	Assistant Managing Director	President Bakery Public Company Limited

### Director/Management Position

#### Other Listed Company

- None

#### Other Non Listed Company

- 1 Place

### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)  
Director Accreditation Program 2020
- Financial Executive Development Program (FINEX)
- Information Technology Strategic & Planning
- Business Process Re-engineering
- Enterprise Architecture Management
- Operational Risk Management
- Project Management
- Leadership Development Program

### Relationships Regarding

- None

### Between Executives Family

### Any Position in Other Business or Other Organizations in the

- None

### Previous Year which has an Impact the Time Devoted Significant

		
<b>11. Mr. Wattanachai Chotechutrakul</b> Chairman of Independent Director and Chairman of Audit Committee Age 74 Years		
<b>Shareholding <sup>/1</sup></b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>Education</b>	<ul style="list-style-type: none"> <li>Bachelor Degree or Equivalent Bachelor of Laws Chulalongkorn University</li> <li>Bachelor Degree of Equivalent Thai Barrister Institute of Legal Education Thai Bar Association</li> <li>Certificate in National Defence Training National Defence College of Thailand</li> </ul>	
<b>Work Experience in the Past 5 Years</b>		
<b>Listed Company</b>		
<ul style="list-style-type: none"> <li>April 2023-Present</li> </ul>	Chairman of Independent Directors and Chairman of Audit Committee	President Bakery Public Company Limited
<ul style="list-style-type: none"> <li>June 2020-April 2023</li> </ul>	Independent Director and Audit Committee	President Bakery Public Company Limited
<ul style="list-style-type: none"> <li>June 2020-Present</li> </ul>	Director of the Nomination and Remuneration Committee	President Bakery Public Company Limited
<b>Director/Management Position</b>		
<b>Other Listed Company</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>Other Non Listed Company</b>	<ul style="list-style-type: none"> <li>Place</li> </ul>	
<b>Training of Roles and Responsibilities of the Director</b>		
<ul style="list-style-type: none"> <li>Training from the Thai Institute of Directors Association (IOD) Director Accreditation Program 2020</li> </ul>		
<b>Relationships Regarding</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>Family Between Executives</b>		
<b>Any Position in Other Business or Other Organizations in the Previous Year which has an Impact the Time Devoted Significant</b>		<ul style="list-style-type: none"> <li>None</li> </ul>





## 12. Mr. Thanapich Mulapruk

Independent Director and Audit Committee

Age 75 Years

### Shareholding <sup>/1</sup>

- Self 135,000 Shares (0.03%) / Spouse -None-

### Education

- Bachelor of Laws, Thammasat University
- Thai Barrister, Institute of Legal Education Thai Bar Association
- Master Of Laws, Chulalongkorn University
- National Defence College of Thailand (#41)
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (#11)
- Capital Market Academy (CMA.), Thailand (#7)

### Work Experience in the Past 5 Years

• 2021-2023	Honorary Director	Public Prosecutor Commission
• 2020-2023	Honorary Director	Plan Maker Review Committee and Business Rehabilitation Plan Administrator
• 2020-2023	Honorary Director	Thailand Federation of Accounting Professions
• 2020-Present	Vice President of the University Council	Nakhon Pathom Rajabhat University
• 2019-Present	Honorary Director of Laws	Department of Energy Business
• 2019-2023	Honorary Director	King Prajadhipok Institute
• 2019-Present	Director	Police General Foundation Phao Sarasin
• 2019-Present	Honorary Director	Tax Audit Committee
• 2023-Present	Honorary Director of Laws	Department of Alternative Energy Development and Efficiency

### Listed Company

• April 2020-Present	Independent Director and Audit Committee	President Bakery Public Company Limited
• June 2020-Present	Chairman of the Corporate Governance, Risk Management and Sustainability Committee	President Bakery Public Company Limited

### Director/Management Position

**Other Listed Company** • None

**Other Non Listed Company** • None

### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)  
Directors Certification Program
- Audit Committee and Continuing Development Program
- Monitoring Fraud Risk Management
- Monitoring the System of Internal Control and Risk Management
- Monitoring the Quality of Financial Reporting
- Monitoring the Internal Audit Function
- IT Governance for Directors

**Relationships Regarding** • None

### Family Between Executives

**Any Position in Other Business or Other Organizations in the  
Previous Year which has an Impact the Time Devoted Significant** • None

**13. Prof. Dr. Piyamitr Sritara**

Independent Director

Age 65 Years

**Shareholding <sup>1</sup>**

- None

**Education**

- B.Sc. (Medical Science), Mahidol University
- M.D., Faculty of Medicine, Ramathibodi Hospital Mahidol University
- Thai Board of Internal Medicine, FRCP (Thailand)
- Diploma in Cardiology, Royal Postgraduate Medical School, Hammersmith Hospital, University of London
- Certificate and Diploma in Interactive Video & Computer Technology, Birkbeck College, University of London
- Thai Board of Cardiovascular Medicine, FRCP (Thailand)
- The Programme for Senior Executive on Justice Administration No.12
- Fellow of American College of Physician
- Fellow of Royal College of Physician (LONDON)
- The Programme Rule of Law for Democracy No. 6, College of the Constitution Court

**Work Experience in the Past 5 Years**

- |             |                               |  |
|-------------|-------------------------------|--|
| • 2019-2023 | Dean                          | Faculty of Medicine Ramathibodi Hospital, Mahidol University                 |
| • 2019-2021 | Medical Examination Committee | Branch of Cardiology, Medical Council of Thailand                            |
| • 2019-2021 | The Chairman of Executive     | National Center for Genetic Engineering and Committee Biotechnology (BIOTEC) |

**Listed Company**

- |                      |  |   |
|----------------------|--|---|
| • June 2020-Present  | Independent Directors  | President Bakery Public Company Limited |
| • April 2023-Present | Director of the Nomination and Remuneration Committee              | President Bakery Public Company Limited |
| • April 2023-Present | Corporate Governance, Risk Management and Sustainability Committee | President Bakery Public Company Limited |
| • 2019-Present       | Independent Directors and Risk Management Committee                | Pruksa Holding Public Company Limited   |
| • 2019-2021          | Independent Director and Chairman of Audit Committee               | Inter Pharma Public Company Limited     |

**Director/Management Position****Other Listed Company**

- |  |                                       |
|--|---------------------------------------|
| • Independent Directors and Risk Management Committee  | Pruksa Holding Public Company Limited |
| • Independent Director and Chairman of Audit Committee | Inter Pharma Public Company Limited   |

**Other Non Listed Company**

- None

**Training of Roles and Responsibilities of the Director**

- Training from the Thai Institute of Directors Association (IOD) Directors Certification Program DCP 244/2017
- IT Governance-Cyber Resilience (ITG 2020)

**Relationships Regarding**

- None Family

**Family Between Executives****Any Position in Other Business or Other Organizations in the**

- None

**Previous Year which has an Impact the Time Devoted Significant**



#### 14. Mrs. Aim-On Pathumarak

Independent Director and Audit Committee

Age 74 Years

##### Shareholding <sup>/1</sup>

- None

##### Education

- Master of Arts in Public Administration, Thammasat University
- Bachelor of Business Administration, Thammasat University

##### Work Experience in the Past 5 Years

##### Listed Company

- |                |   |   |
|----------------|---|---|
| • 2019-Present | Independent Director and<br>Audit Committee                           | President Bakery Public Company Limited |
| • 2019-Present | Corporate Governance, Risk Management<br>and Sustainability Committee | President Bakery Public Company Limited |

##### Director/Management Position

##### Other Listed Company

- None

##### Other Non Listed Company

- None

##### Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)  
Director Accreditation Program 2016

##### Relationships Regarding

- None

##### Family Between Executives

##### Any Position in Other Business or Other Organizations in the

- None

##### Previous Year which has an Impact the Time Devoted Significant

		
<b>15. Mr. Sujet Kowkasai</b> Independent Director and Audit Committee Age 75 Years		
<b>Shareholding <sup>/1</sup></b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>Education</b>	<ul style="list-style-type: none"> <li>Bachelor of Laws, Thammasat University</li> </ul>	
<b>Work Experience in the Past 5 Years</b>		
<b>Listed Company</b>		
<ul style="list-style-type: none"> <li>April 2023-Present</li> </ul>	Independent Director and	President Bakery Public Company Limited
	Audit Committee	
<b>Director/Management Position</b>		
<b>Other Listed Company</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>Other Non Listed Company</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>Training of Roles and Responsibilities of the Director</b>		
<ul style="list-style-type: none"> <li>None</li> </ul>		
<b>Relationships Regarding</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>Family Between Executives</b>		
<b>Any Position in Other Business or Other Organizations in the Previous Year which has an Impact the Time Devoted Significant</b>		
<ul style="list-style-type: none"> <li>None</li> </ul>		

**Remark :** All directors are authorized to sign on behalf of the Company where two directors must co-sign and affix the Company's seal. Excluding independent directors.

<sup>/1</sup> Including spouse and minor children

## Details about The Company's Accounting Supervisor

### Miss Jirawan Komolcharoensiri

Management Accounting Department Manager

Age 49 Years

#### Shareholding <sup>/1</sup>

- None

#### Education

- Master's degree, Master of Economics Ramkhamhaeng University
- Bachelor's degree in Business Administration, Accounting  
Rajamangala University of Technology Thanyaburi

#### Training Course

- Consolidated Financial Statements Workshop
- TFRS 2023 and ESG for Finance and Accounting
- Update Tax 2023

#### Work Experience in the Past 5 Years

##### Listed Company

- |                |   |   |
|----------------|---|---|
| • 2019-Present | Management Accounting<br>Department Manager | President Bakery Public Company Limited |
|----------------|---|---|

##### Director/Management Position

##### Other Listed Company

- None

##### Other Non Listed Company

- None

##### Relationships Regarding

- None

##### Family Between Executives



## Attachment 2

### Details of Directors and Subsidiary

Name	President Flour Mill Company Ltd.
1. Mr. Apisate Thammanomai	Chairman
2. Dr. Pojjanee Paniangvait	Director
3. Miss Petcharat Anantawichai	Director
4. Miss Panida Prayottawee	Director
5. Miss Saipin Kittipornpimol	Director
6. Miss Ubolluck Luevoravinyu	Director
7. Mr. Thanapich Mulapruk	Director

# Attachment 3

## Details about The Person Holding The Internal Audit Position

### Mr. Prachaya Sukkerd

Assistant Department Head in Internal Audit / Audit Committee Secretary /  
Independent Committee Secretary (Have knowledge and expertise in accounting)

#### Responsibilities

- Provide consultation and inspection as well as assess the internal control system.  
by reporting directly to the Audit Committee, director and deputy director

#### Education

- Bachelor's degree, Faculty of Management, Accounting, Mae Fah Luang University

#### Related Work Experience and Training

• May 2019-Present	Assistant Department Head Internal Audit	President Bakery Public Company Limited
	Audit Committee Secretary	President Bakery Public Company Limited
	Independent Committee Secretary	President Bakery Public Company Limited

## Attachment 4

### Business Assets and Details on Asset Valuation

- None -



# Attachment 5

## Corporate Governance, Ethical Standards and Code of Business Ethics

The Company thereby prescribed the following corporate governance policies as a practice guideline for the Board of Directors, Executive and all employees.

For details related to the Company's Good Corporate Governance Principles Thai President Foods Public Company Limited. Code of Conduct Code of Conduct management and staff. See additional details on the company's website: [www.mama.co.th](http://www.mama.co.th) under the topic Investor Relations)

## Attachment 6

### Report of the Audit Committee for the Year 2023

#### Dear Shareholders of President Bakery Public Company Limited

The Board of Directors passed a resolution on Wednesday, April 28, 2023 to appoint a new audit committee. Replace the old committee who have retired, which consist of 4 independent directors who are qualified, knowledgeable, proficient and experienced in Human resource management, Laws, Regulations, including Accounting and Taxation as the following names.

1. Mr. Wattanachai Chotechutrakul  
Independent Director  
Position: Chairman
2. Mr. Sujet Khowkasai  
Independent Director  
Position: Director
3. Mr. Thanapitch Moonpruek  
Independent Director  
Position: Director
8. Mrs. Emon Pathumarak  
Independent Director  
Position: Director

All Audit Committee members meet the qualifications outlined in the Audit Committee Charter and have independently carried out their duties within the scope of responsibilities delegated by the Board of Directors and the Stock Exchange of Thailand's regulations. It has a policy of focusing on the Company's adherence to the principles of good corporate governance.

There is excellent risk management, as well as a review of the internal control system and an internal audit that includes employee work as well as the Company's leaders' ethics and codes of conduct. The Company's Certified Public Accountant also conducts an external audit. According to international norms, EY Company Limited delivers financial information. It is effective, efficient, transparent, dependable, and responsible, which benefits shareholders, investors, stakeholders, employees, and people involved in all departments as follows:

- Focus on ensuring that the Company's financial statements and financial reporting are accurate and disclosed by conducting an evaluation of their reliability, reasonableness and in the Company's best interests as shareholders and general investors.
- Focus on preventive audits in order for the Company to have an appropriate internal control system and operates in a systematic manner.
- The review of the management of various risks from the major operations is emphasized by requiring a review of the operating procedures control guidelines to guarantee that the company's internal control system is functional. and the ability to keep risks to a manageable level.
- Emphasizes the importance of operating in accordance with the goals, objectives, laws, rules, regulations and requirements related to the Company.

In this regard, the Audit Committee has a term of office of 1 year or the term equal to the number of the Company's Board of Directors. Directors retiring by rotation can be re-appointed to a new position as the Board of Directors deems appropriate

In 2023, the Audit Committee held a total of 4 meetings, of which all directors attended every time to perform duties as stipulated in the Audit Committee Charter. In addition, the Audit Committee meets with the Internal Audit Department every quarter to acknowledge and consider the results of the audit and the annual audit plan as well as giving useful suggestions for controlling operations in various fields. There is also an agenda for meetings with external auditors, namely EY Company Limited, to consider the internal control system. About the Company's financial reports, the details of operations, review and consideration of various matters in the organization are as follows:



1. Consider and certify the results of quarterly financial statement review and annual financial statement audit, including timely disclosure of sufficient information by generally accepted accounting principles accounting standard and changes in the Company's important accounting policies, as conducted by the Company's certified public accountant under international standards. Before presenting to the Board of Directors, the Audit Committee sought explanations from management and the certified public accountant on the pertinent issues and listened to them fully and sufficiently. As a result, the certified public accountant's conclusion that the financial statements are correct as they should be in essence according to widely accepted accounting standards is supported.

2. Reviewed important internal control systems. It was found that the Company had an appropriate, adequate, transparent, efficient internal control system and effectiveness, able to achieve the objectives and goals of the Company's operations, including having an internal control system that can control risks to an acceptable level together with suitable changing business environment in the digital economy era.

3. Conduct a review of the internal audit results which the internal audit unit of the Company is the operator, including supervising the internal audit unit in considering and approving the annual audit plan as well as giving advice to internal auditors to increase efficiency and effectiveness in operating to meet international standards and upgrading the internal audit to be more efficient for sustainable business competition according to the Company's policy.

4. Conduct critical risk reviews specified in the annual internal audit plan with the internal audit of the Company as a reviewer to be able to manage risks that may affect the organization not meeting its objectives. It is also required to review the internal audit plan according to the changing risk situation at present, internal audits are effective and to maintain the best interests of the stakeholders.

5. Examine and provide opinions on related transactions or transactions that may have potential conflicts of interest, including the disclosure of the aforementioned transaction. The Company transaction is transparent operation, according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, at a reasonable price and has disclosed sufficient, accurate, and complete information.

6. Review the compliance with the laws governing securities and exchange, regulations of the Stock Exchange of Thailand, and other laws related to the company's business operations in order to ensure accuracy and transparency for shareholders and all related parties in accordance with the principles of good governance.

7. A report on the activities of the Audit Committee is presented to the Board of Directors to acknowledge the regularity of the Audit Committee meetings in order to follow the Audit Committee's best practices.

8. For submission to the Board of Directors, there is consideration for selection, nomination, appointment, termination of employment, and remuneration that is appropriate for the Certified Public Accountant's workload. Request the shareholders' meeting's consent.

9. The Audit Committee attended the shareholders' meeting No. 44 on Wednesday, April 28, 2023 to respond the shareholders' inquiries with transparency in the Company's business management.

From the performance of such duties, the Audit Committee has given importance to the internal control system in the organization, risk assessment, operational control, and improve the information and communication technology system to be up-to-date with fair performance of duties, independent and has no limitation in receiving information which has been well co-operated by both the management and related employees. The Audit Committee therefore jointly considered that President Bakery Public Company Limited has a process for preparing financial reports in accordance with generally accepted accounting standards and has not found any items that may have an effect that has material impact on the financial statements which has an internal control system, internal audit, and appropriate, adequate and efficient risk management. Connected transactions are normal business transactions. It was reasonable and did not find any unusual transactions and strictly complied with the Securities and Exchange Act, regulations and other relevant laws.

On behalf of the Audit Committee



**(Mr. Wattanachai Chotechutrakul)**  
Chairman of Audit Committee

## Report of the Nomination and Remuneration Committee Report for the year 2023

### Dear Shareholders

The Board of Directors of President Bakery Public Company Limited has appointed the Nomination and Remuneration Committee, consisting of 4 directors with 1 year term of office. Ms. Petcharat Anantavichai is the secretary of the Nomination and Remuneration Committee. In 2023, there were 2 meetings, with the following directors attending the meetings:

Name	Position	Meetings Attended/ Total Meetings
1. Mr. Pipat Paniangvait	Chairman of the Nomination and Remuneration Committee	2/2
2. Mr. Apichart Thammanomai	Director of the Nomination and Remuneration Committee	2/2
3. Mr. Wattanachai Chotechutrakul	Director of the Nomination and Remuneration Committee	2/2
4. Prof. Dr. Piyamit Srithara	Director of the Nomination and Remuneration Committee	1/2

**Remark :** Prof. Dr. Piyamit Srithara became a member of the Nomination and Remuneration Committee on April 28, 2023.

In 2023, the Nomination and Remuneration Committee has performed duties as assigned by the Board of Directors as follows:

### Nomination

1. Consider recruiting and selecting individuals with appropriate qualifications to be directors of the Company by considering knowledge, abilities, experience and expertise from various professions, which is in accordance with the Company's regulations and related requirements

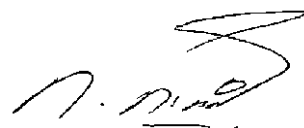
2. Propose the selected individuals to the Board of Directors for consideration.

### Remuneration

1. Consider determining the amount of remuneration for Company directors and sub-committees by considering the performance results, duties and amount of responsibility.

2. Propose the amount of remuneration for Company directors and sub-committees to the Board of Directors for consideration.

The Nomination and Remuneration Committee has performed the duties and responsibilities specified in the Nomination and Compensation Committee Charter completely.



**(Mr. Pipat Paniangvait)**  
Chairman of the Nomination  
and Remuneration Committee

## Report of the Corporate Governance, Risk Management and Corporate Sustainability Committee for the year 2023

### Dear Shareholders of President Bakery Public Company Limited

The Board of Directors passed a resolution on April 28, 2023 to appoint a Corporate Governance, Risk Management and Corporate Sustainability Committee, which consist of 9 directors who are qualified, knowledgeable, proficient and experienced in corporate governance, risk management, and sustainability, as the following names.

1. Mr. Thanapitch Moonpruek  
Independent Director  
Position: Chairman
2. Mr. Apisate Thammanomai  
Managing Director  
Position: Director
3. Ms. Saipin Kittipornpimol  
Director and Assistant Director  
Position: Director
4. Ms. Ubolluck Luevoravinyu  
Director and Assistant Director  
Position: Director
5. Ms. Panida Prayottaweekij  
Director and Assistant Director  
Position: Director
6. Ms. Petcharat Anantawichai  
Senior Director and Manager of Accounting and Finance  
Position: Director
7. Dr. Pojjanee Paniangvait  
Director  
Position: Director
8. Prof. Dr. Piyamit Srithara  
Independent Director  
Position: Director
9. Mrs. Emon Pathumarak  
Independent Director  
Position: Director

All Corporate Governance, Risk Management and Corporate Sustainability Committee are fully qualified as specified in the Corporate Governance, Risk Management and Corporate Sustainability Committee Charter and has performed duties completely within the scope of responsibilities assigned by the Board of Directors and in accordance with the law and regulations of relevant government agencies which brings the greatest benefits to shareholders, investors, stakeholders, employees, as well as communities, society and the environment.

In this regard, the Corporate Governance, Risk Management and Corporate Sustainability Committee has a term of office of 1 year or the term equal to the number of the Company's Board of Directors. Directors retiring by rotation can be re-appointed to a new position as the Board of Directors deems appropriate.

In 2023, the Corporate Governance, Risk Management and Corporate Sustainability Committee has 4 meetings in which all directors attended the meeting to perform duties as specified in the Corporate Governance, Risk Management and Corporate Sustainability Committee Charter. The details of operations in matters in the organization are as follows:

1. Review and revise the Corporate Governance, Risk Management and Corporate Sustainability Committee Charter, good corporate governance principles, Risk Management Policy and Manual, and Corporate Sustainability Development Policy to be appropriate and consistent with the objectives, strategies, and goals of the organization in the current corporate governance, risk management, and corporate sustainability.

2. Push and encourage employees at all levels to have knowledge and understanding of risk management and sustainability development to become a culture of the organization. Knowledge and understanding is constantly assessed.

3. Continuously supervise the organization to follow the risk management process effectively and systematically according to the COSO-ERM 2017 risk management framework and monitoring the risks during the year to be within the acceptable level (Risk Appetite).

4. Consider and suggest risk management measures to be able to appropriately and efficiently control risks according changing circumstances.

5. Supervise risk management in the COVID-19 situation of the organization to ensure that it operates properly.

- a. Control: Provide suggestions for setting up screening Company's enter- exit measures and alcohol spraying measures in common areas to be appropriate and efficient
- b. Prevention: Support the vaccination process for all employees and give suggestions for determining measures for proactive ATK checks that are suitable for each type of work.
- c. Supervision and Monitor: Support the project "Farmhouse...Survival Bag" for Home Isolation and determine employees' close monitor to take care until be able to return to work as usual.

6. Consider and give opinions in conducting the Company's sustainability strategy.

7. Consider and give opinions in identifying and prioritizing the Company's important sustainability issues assessed based on their level of importance to the Company and level of importance to all stakeholders.

8. Support and follow up on projects to be consistent with sustainability strategies and key issues.

9. Supervise the projects that the Company has completed to be tracked and regularly evaluated for the results to be in accordance with the objectives or criteria that are determined sustainably.

10. Promote, encourage, and provide suggestions for the sustainable stock assessment of the Stock Exchange of Thailand (SET) to be a tool for measuring the success of the Company's sustainability operations. In 2023, the Company received AA level score.

11. Promote, encourage and provide suggestions in evaluating corporate governance from Thai listed companies survey by Thai Institute of Directors (IOD) to be an assessing tool for the Company's sustainability operation success. In 2023, the Company received 5 stars "excellent" level.

12. Supervise the creation of sustainability report according to the standard of GRI (Global Reporting Initiatives). It discloses the information of the Company's overall operations to all stakeholders to acknowledge the Company's sustainability operations appropriately.

From performing such duties, Corporate Governance, Risk Management, and Corporate Sustainability Committee has prioritized corporate governance, risk management, and sustainability to operate continuously and systematically according to the current changing situation and could punctually control the risks, preventing impacts on the business operations of the organization, including considering impacts on community, society, and environment.

**On behalf of the Corporate Governance,  
Risk Management and Corporate Sustainability  
Committee**



**(Mr. Thanapitch Moonpruek)**  
Chairman of Corporate Governance,  
Risk Management and Corporate Sustainability  
Committee

## Report of the Investment Committee for the Year 2023

### Dear Shareholders

The Board of Directors of President Bakery Public Company Limited has appointed the Investment Committee, consisting of 6 directors with 1 year term of office. In 2023, there were 7 meetings, with the following directors attending the meetings:

Name	Position	Meetings Attended/ Total Meetings
1. Mr. Wichai Kulsomphob	Chairman of the Investment Committee	7/7
2. Mr. Apisate Thammanomai	Director of the Investment Committee	7/7
3. Mr. Pan Paniangvait	Director of the Investment Committee	7/7
4. Ms. Petcharat Anantawichai	Director of the Investment Committee	7/7
5. Ms. Saipin Kittipornpimol	Director of the Investment Committee	7/7
6. Ms. Ubolluck Luevoravinyu	Director of the Investment Committee	7/7

In 2023, the Investment Committee has performed duties as assigned by the Board of Directors as follows:

1. Consider the investment plan in accordance with the investment policy approved by the Board of Directors.
2. Supervise the Company's investment to ensure that it is in accordance with the investment policy and investment plan.
3. Supervise good governance, transparency, and the prevention of conflicts of interest related to investment transaction.
4. Review and adjust the investment plan to suit the changing situation.
5. Report investment results to the Board of Directors for acknowledgment.

The Investment Committee has fully performed the duties and responsibilities specified in the Investment Committee Charter by using knowledge, ability, and prudence in investment risk management and report the results to the Company's Board of Directors for acknowledgment.



**(Mr. Wichai Kulsomphob)**

Chairman of the Investment  
Committee

23 January 2024





**บริษัท เพอร์ซิเดนท์ เบเกอรี่ จำกัด (มหาชน)**  
**PRESIDENT BAKERY PUBLIC COMPANY LIMITED**

**Office**

121/84-85 RS Tower Building 29<sup>th</sup> Floor, Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand.  
Tel : +66 (0) 2209 3000 Fax : +66 (0) 2209 3091-2

**Factory Lardkrabang**

91 Moo 4, Lardkrabang Industrial Estate, Chalong Krung Road, Lam Pla Thio, Lardkrabang, Bangkok 10520, Thailand.  
Tel : +66 (0) 2326 5400 Fax : +66 (0) 2326 5463

**Factory Bangchan**

1, Soi Serithai 87 Bangchan Industrial Estate, Serithai Road, Minburi, Bangkok 10510, Thailand.  
Tel : +66 (0) 2548 1200 Fax : +66 (0) 2548 1290

**Customer Service :**

Tel. 0-2209-3090 and [www.farmhouse.co.th](http://www.farmhouse.co.th)

**Social Media Channel :**

FarmhouseThai



**Follow New Recipes :**

[www.farmhouse.co.th/blog](http://www.farmhouse.co.th/blog)