



Annual Registration Statement
/ Annual Report 2024
(Form 56-1 One Report)
Sherwood Corporation
(Thailand) Public Company
Limited





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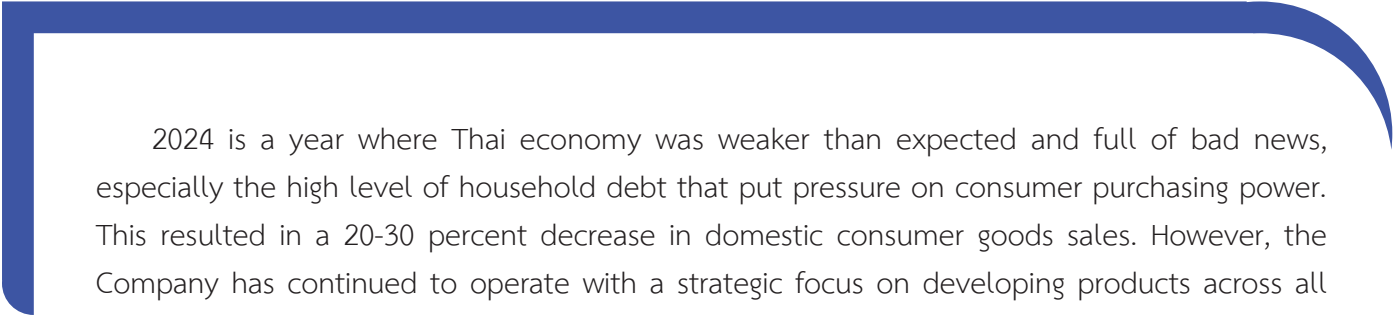
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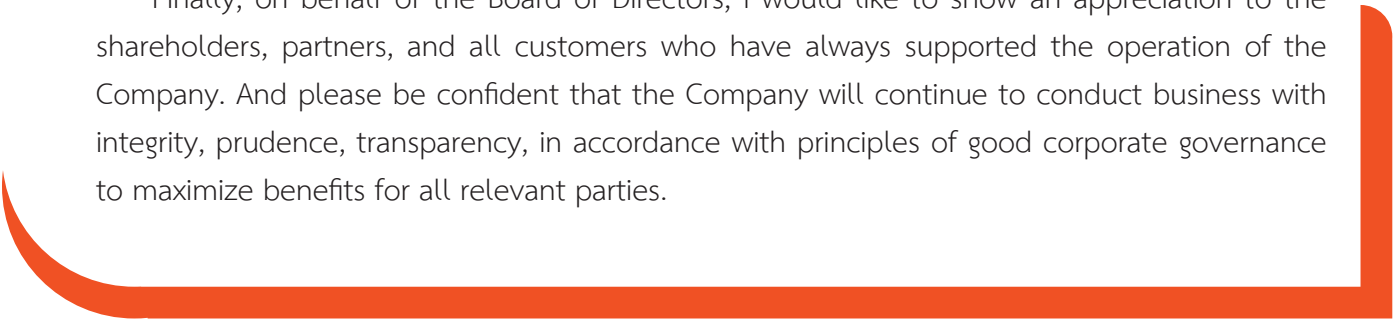
Message from the Board of Directors



2024 is a year where Thai economy was weaker than expected and full of bad news, especially the high level of household debt that put pressure on consumer purchasing power. This resulted in a 20-30 percent decrease in domestic consumer goods sales. However, the Company has continued to operate with a strategic focus on developing products across all categories to meet consumer demands effectively and emphasized ongoing promotional and marketing activities tailored to each product group. Additionally, the Company has continuously optimized product arrangement and visibility across all channels to maintain market share.

For the 2025 direction and strategy, the Company focuses on expanding chemical products category into the agrochem market, livestock market, also pet food and pet care market. Moreover, for the dairy product group, the Company plans to develop new products and expand into new distribution channels, which is expected to increase sales in 2025 from the aforementioned plan.

Finally, on behalf of the Board of Directors, I would like to show an appreciation to the shareholders, partners, and all customers who have always supported the operation of the Company. And please be confident that the Company will continue to conduct business with integrity, prudence, transparency, in accordance with principles of good corporate governance to maximize benefits for all relevant parties.



1. Structure and Operations of the Corporate Group

1.1 Policy and Business Overview

Sherwood Corporation (Thailand) Public Company Limited (“the Company”) is a manufacturer and marketer of chemicals used in household, industrial, and public health, as well as agrochemicals. The Company was established on December 1, 1995, with a registered capital of 30,000,000 Baht by TOA Paint (Thailand) Public Company Limited, which acquired a portion of Shell Thailand Company Limited’s household chemical business through acquisition. This included Shelldrite termite prevention and control products, Teepol all-purpose cleaners, and Devatern wood preservatives products. After the business transfer was completed in June 1996, the executive household chemical team of Shell Thailand Company Limited served as the Company’s executives and later became a shareholder. In 2001, the Company also initiated a plan to change the product’s trademark. When the “SHELLDRITE” trademarks expired, “SHELLDRITE” became “CHAINDRITE” The Company increased its registered capital to 60,000,000 Baht and 120,000,000 Baht respectively. On April 9, 2004, the Company registered as a Public Limited Company and increased its registered capital from 120,000,000 Baht to 150,000,000 Baht by offering new ordinary shares to through Initial Public Offering, as well as listing the Company on the Market for Alternative Investment. On October 18, 2004, the Company began trading newly issued ordinary shares. In 2009, the Company registered Sherwood Chemical Australasia Company Limited in Australia to export products and strengthen consumer confidence in the Company’s products. The Company began exporting to ASEAN countries in 2014 while continuing to grow its business. In 2018 and 2019, the Company established Hokkaido Food and Beverage Company Limited to conduct consumer food products business and Teepol Professional International Company Limited to conduct industrial cleaning products business respectively. In 2024, The Company paid the stock dividends by issuing up to 45,339,296 newly issued ordinary shares, with a par value of 0.50 Baht per share, to the Company’s shareholders, at the ratio of every 10 existing shares for 1 stock dividend.

1.1.1 Vision, Mission and Strategy of the Company

Vision

“ Be the world’s leading provider of high-quality products that improve people’s lives worldwide”

Mission

“ Be a top-tier company by meticulously producing the highest-quality products to achieve the highest levels of satisfaction for all stakeholders”

A

: Agility



Agility : Work quickly, accurately, and keep up with the market, as operating in a fast-moving industry.

B

: Bold



Bold : Dare to think, dare to change, dare to communicate, dare to accept change, and dare to accept differences in order to accomplish the ultimate goal.

C

: Care



Care : Attentive to consumers and customers, as well as the impact on the work environment, whether personal, public, or societal.

Sherwood Corporation (Thailand) Public Company Limited is committed to being a leading organization in the production and distribution of high-quality products to enhance consumers' quality of life on a global scale. With over 20 years of business experience in Thailand, the company aims to manage its operations with a strong focus on quality. This includes an in-depth approach to sales and marketing processes, production management, and asset management to optimize the Return on Equity (ROE). These efforts are conducted under ethical Good Corporate Governance and Code of Conduct, guided by the following strategies:

1. Good Corporate Governance and Code of Conduct

The Company operates under ethical policies at all levels, with communication channels in place to report any risks of non-compliance. Additionally, a systematic and fair investigation and audit process ensures that the Company operates transparently and accountably for ethical trust of stakeholders.

2. Return on Equity (ROE) Management, including:

- Net Profit Margin Management

The Company takes an in-depth approach to sales and marketing processes, ensuring that all distribution channels adhere to well-structured planning, monitoring, execution, and promotional strategies. These efforts align with business policies and directions to generate optimal profitability. The Company also minimizes opportunity costs related to sales and profit generation.

- Asset Turnover Optimization

The Company emphasizes asset management by ensuring efficient utilization of machinery, production capacity, raw materials, and workforce. This guarantees that all processes involved in product and service creation are well-controlled, minimizing defects and errors. As a result, production costs are reduced, leading to increased profitability.

- Financial Leverage Ratio Management

The Company optimizes its financial structure through strategic accounting and financial processes, including debt collection, payments, credit management, and cash flow management. These measures are implemented to achieve an optimal balance between financial returns and cost-effectiveness in business operations.

3. Integration of Technology and Innovation

The Company is committed to enhancing operational processes and fostering innovation. In 2024, it conducted research and participated in collaborative innovation projects with both public and private sector organizations. Furthermore, the Company has explored biotechnology innovations to advance chemical product development, ensuring long-term sustainability in meeting consumer needs. Additionally, artificial intelligence (AI) has been integrated into company operations, with pilot projects launched in 2024 and plans to expand AI applications in 2025.

4. Organizational Values and Continuous Employee Development

The Company actively promotes its corporate values and continuously develops its workforce. This is achieved through a systematic approach that includes employee recruitment and selection, skills enhancement, competitive compensation and benefits, and initiatives to strengthen employee engagement. These efforts ensure a safe and stable working environment, career growth opportunities, and overall well-being for employees.

2015

- FDA Quality Award from the Food and Drug Administration, Ministry of Health.
- Certificate of Green Industry Award: Level 3 (Green System), Ministry of Industry.

2016

- FDA Quality Award from the Food and Drug Administration, Ministry of Health.
- The 20th anniversary of the Company.

2017

- FDA Quality Award from the Food and Drug Administration, Ministry of Health.
- Awarded with an outstanding award in the category for Best Company Performance Awards in 2017 from the Stock Exchange of Thailand.

2018

- FDA Quality Award from the Food and Drug Administration, Ministry of Health.
- Hokkaido Food and Beverage Company Limited, a subsidiary, was established to operate consumer products business such as milk and confectioneries with a registered capital of 1,000,000 Baht and 10,000 ordinary shares at a price of 100 Baht per share.
- The Company changed its name to Sherwood Corporation (Thailand) Public Company Limited.

2019

- FDA Quality Award from the Food and Drug Administration, Ministry of Health.
- The Company changed the par value from 1 Baht per share to 0.50 Baht per share.
- The Company issued and allocated warrants to purchase newly issued ordinary shares of the Company No. 1 (SWC- W1) in an amount that did not exceed 150,000,000 units to existing shareholders in proportion to their shareholding.
- The Company issued and offered warrants to employees of Sherwood Corporation (Thailand) Public Company Limited (ESOP-W1) in an amount that did not exceed 15,000,000 units.
- The Company increased registered capital in the amount of 82,500,000.00 Baht from the registered capital of 150,000,000.00 Baht to 232,500,000.00 Baht by issuing 165,000,000 new ordinary shares.

- 2019**
- Teepol Professional International Company Limited, a subsidiary, was established to manufacture and distribute cleaning solutions domestically and internationally with 1,000,000 Baht registered capital and 10,000 ordinary shares at a price of 100 Baht per share.
 - Hokkaido Food and Beverage Company Limited began to manufacture and distribute peanut products under the “Marujo” brand and milk products under the “HOKKAIDO” brand.

- 2020**
- FDA Quality Award from the Food and Drug Administration, Ministry of Health.

- 2021**
- The Company launched a healthy beverage product under the “Super Fight” brand. This is a blend of 8 herbal extracts with low sugar and caffeine derived from natural green tea. It was the first herbal beverage to receive the nutrition symbol “Healthy Choices.”
 - Lotto Food (Thailand) Company Limited was established to operate manufacture and distribute the plant-based protein products as a new alternative for future food consumption.

- 2023**
- The Company has allocated newly issued 3,392,962 ordinary shares at par value of Baht 0.50 per share to accommodate the right adjustment of the warrants to purchase the newly issued ordinary shares of Sherwood Corporation (Thailand) Public Company Limited, No.1 (SWC-W1)
 - The Company has allocated newly issued 1,607,038 ordinary shares at par value of Baht 0.50 per share to accommodate the right adjustment for the exercise of the Company’s warrants on ordinary shares, which are offered to the Directors, Management, and Employees of the Company (ESOP-W1)
 - The Company increased registered capital in the amount of 2,500,000 Baht from the registered capital of 232,500,000 Baht to 235,000,000 Baht by issuing 5,000,000 new ordinary shares.

- 2024**
- The Company has terminated the business of manufacturing and distributing the plant-based protein products in Lotto Food (Thailand) Company Limited
 - The Company paid the stock dividends by issuing up to 45,339,296 newly issued ordinary shares, with a par value of 0.50 Baht per share, to the Company’s shareholders, at the ratio of every 10 existing shares for 1 stock dividend.

1.2 Nature of Business

The Company strives to be a top tier company that manufactures and markets high quality products to enhance consumers' quality of life worldwide. Therefore, the Company has consistently expanded its operations, and now it operates in three business categories:

1. Consumer Non-Food:



Manufacturing and distributing household chemical products for the insecticide, wood preservatives, and cleaning product groups. Household consumers are the Company's target group.

2. Industrial:



Manufacturing and distributing insecticides, cleaning agents, and disinfectants for industrial service business as well as agrochemical products for rice fields, field crops, orchards, vegetable gardens, and livestock.

3. Consumer Food and Beverage:



Manufacturing, marketing, and distributing food and beverage products. Household consumers are the target group of the Company.

1.2.1 Revenue Structure

The revenue structure is classified as follows:

| Product Group | 2024 | | 2023 | | 2022 | |
|----------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Millions of Baht | % | Millions of Baht | % | Millions of Baht | % |
| Consumer Non-Food | 1,175.39 | 69.58 | 1,183.91 | 69.10 | 1,121.30 | 66.10 |
| Industrial | 388.07 | 22.97 | 363.44 | 21.21 | 415.69 | 24.51 |
| Consumer Food and Beverage | 122.01 | 7.22 | 162.33 | 9.47 | 157.11 | 9.26 |
| Total Sales Revenue | 1,685.47 | 99.78 | 1,709.68 | 99.78 | 1,694.10 | 99.87 |
| Other Revenue | 3.79 | 0.22 | 3.72 | 0.22 | 2.21 | 0.13 |
| Total | 1,689.26 | 100.00 | 1,713.40 | 100.00 | 1,696.31 | 100.00 |

1.2.2 Product Information

Consumer Non-Food

Since the acceptance of the transfer from Shell Company of Thailand more than 20 years ago, the Company has worked to improve existing products and develop new ones. The Company currently has over 130 registered trademarks on its product which can be classified according to the following product categories:

1. Wood preservatives products are finished products that can be applied or sprayed on wood surfaces prior to the application of any other coatings to prevent termites, moths, and fungi, which are the leading causes of wood decay. Chaindrite 1 is an oil-based wood preservative available in brown, light brown, and colorless.

2. Termite and pest prevention and control products These are termiticides and pesticides that are used to prevent and eliminate termites and pests. They are available in liquid, spray, powder, and foam forms. A diversity of products are appropriate to control termite and pests in different areas because different areas have different problems. For example, termite problems are classified into two categories: prevention and repellents.

In terms of prevention, it is used to prepare construction sites for future termite protection. Chaindrite Stedfast 30 SC and Chaindrite Stedfast 40 EC are required. To repel termites, Chaindrite Termiforce, Chaindrite Spray, Chaindrite Powder, and Chaindrite Foam are required.

Chaindrite also has a product line for household insecticide that works to eliminate both flying and crawling insects. Chaindrite insecticide spray is available in lavender or odorless scents, killing flying and crawling insects. Chaindrite Insecticide Spray for mosquitoes in lemon scent, or Chaindrite mosquito coils are available in lavender and geranium scents, eliminating or preventing mosquitoes.

In regards to rat problems which are pests in homes, there are STUN Block Bait Rodenticide products that effectively kill rodents for rat problem solving.

3. Cleaning product: The cleaning products are used for general cleaning such as cleaning dishes, bowls, feeding bottles. These products remove dirt and grime while remaining gentle and hygienic. Teepol Pure, Teepol Lemon Power Plus and Teepol Dish Super are among the dishwashing products available. For cleaning products, it included Scully Anti Lice Shampoo. The Company also introduced new products to the market including Teepol Pro Clean products, which are dust removing products for multi-surface, and they were well received by consumers.

4. Pet care products are products for cleaning pets and pet's bedding. This includes Chaingard dog shampoo and conditioner, Chaingard cat shampoo, mattress spray products, pet odor eliminator sprays for furniture, tick and flea spray, powder for dogs and cats, and dry shampoo for dogs and cats. The Company also introduced Chaingard Organic for dogs and cats in the previous year. This is a new product in the market that emphasizes natural ingredients. In collaboration with Kasetsart University's Faculty of Veterinary Medicine, the product has been clinically proven to be gentle on pets with sensitive skin.

Research and Development

The Company recognizes the value of research and development as part of enhancing its competitiveness. The Company established a product research and development department to study guidelines and methods for the household and industrial chemical products development to be diverse and efficient and be able to continually meet consumer needs. The product development process begins with understanding the market's needs as well as being attentive to consumer feedback from various distribution channels. The preliminary data for the research and development department was divided into 2 sections:

1. Improve Original Products

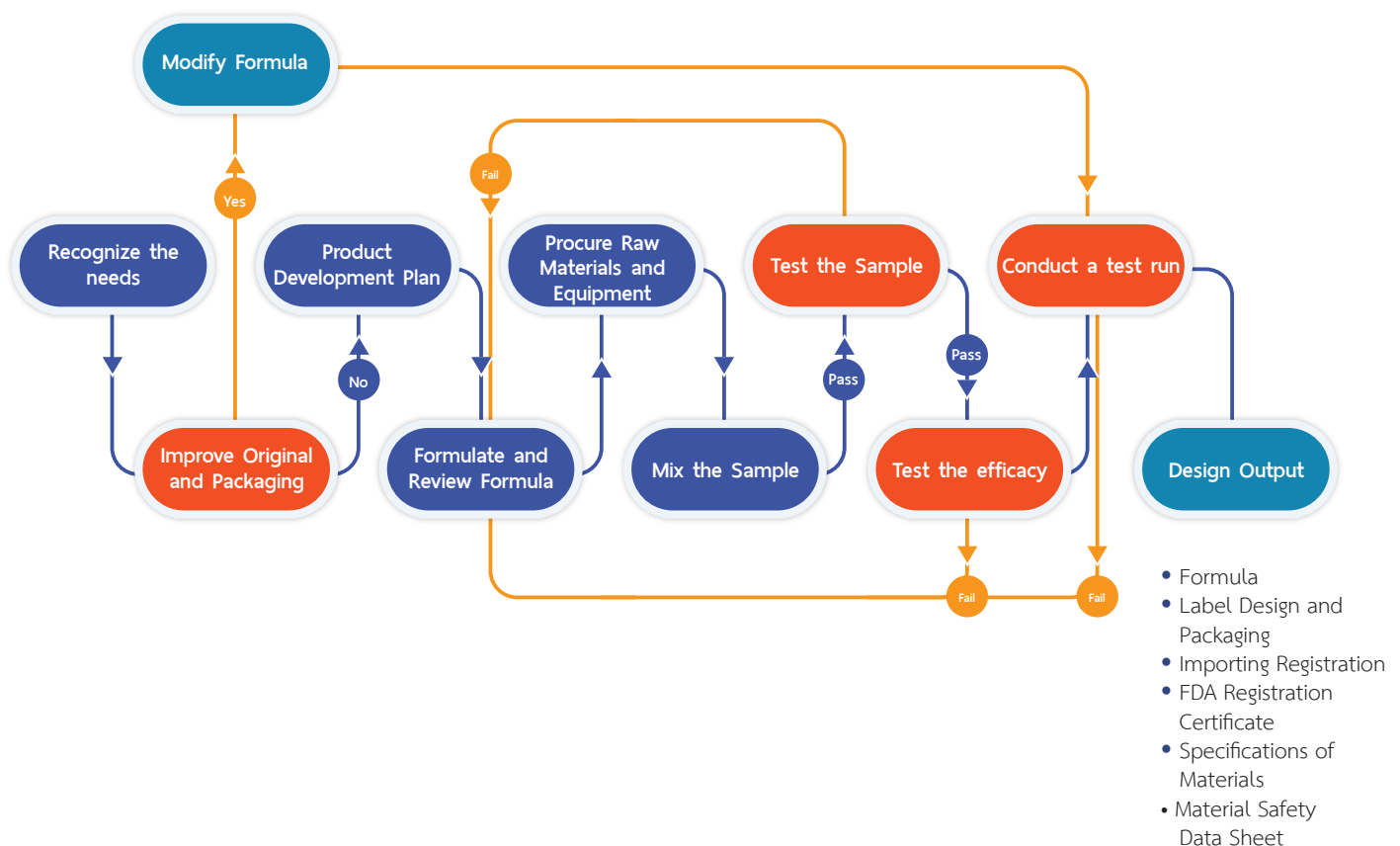
Improving the original product's quality and/or benefits to make it more effective by focusing on meeting the needs of customers. The majority of improvements were made in product design, efficiency, user safety, and packaging, such as Chaindrite 1 and Teepol Pure. Teepol Lemon Power Plus is one of the raw material formulations developed by the Company to make it even more effective while also taking safety into consideration.

2. Develop New Products

The Company continues to develop new products by utilizing in-house technology or technology from other appropriate sources, in order to fulfill consumer needs while also broadening the Company's business base. This was done in order to have a variety of products and provide new options for consumers, such as Teepol Pro Clean and Chaingard Organic Dog & Cat Shampoo. Every product is tested for efficacy, safety, and registered with the appropriate government agencies.

In 2024, the Company's total expenses on research and development were 2.33 million Baht. The majority of this was spent on product development. The following is the product development process used by the Company:

Distribution Channels



Distribution is currently distributed through four major channels.

1. Modern Trade - consists of hypermarkets and supermarkets such as Tesco Lotus, Big C, Tops, The Mall, etc.; convenience stores such as 7-Eleven, Family Mart, Jiffy, etc.; and Cash and Carry stores such as Siam Makro, where the Company delivers goods to customers on an agreed-upon basis.

2. Traditional Trade and Local Modern Trade - consists of large or medium wholesale stores and general retail stores that sell through distributors to distribute products to wholesale and retail stores throughout the country. The Company's sales staff visits and contacts the stores on a regular basis.

3. Domestic online channels - the Company registered online store accounts in various platforms such as Lazada, Shopee and Facebook. As a result of changing consumer behavior, this channel has grown exponentially over the last year.

4. Overseas Market Channels - Local distributors in overseas Markets import products, market, sell, and distribute them to modern, traditional and local trade.

Marketing and Competition

Consumer goods is a fiercely competitive market. The Company's growth objectives remain unchanged (growth strategy). As a result, the Company adjusted a marketing strategy that focused on brand strength, promoting and developing new products for the market, and sales channel strategies in order to distribute products to retail stores across the country while also expanding into foreign markets

Marketing Strategy

1. Product Quality

The Company is focused on the quality products because it is a factor that influences consumer trust in the brand. This results in brand equity, which leads to brand loyalty.

In the production process, the Company controls the quality of the products throughout production. Before a product can be released to consumers, experts test its performance to ensure that it meets the specified standards. The Company has a research and development department that is made up of knowledgeable individuals with abundant experiences. The Company also provides a complete and modern chemical laboratory, quality inspection tools, and a variety of production equipment. This includes a Gas Chromatograph (GC) and a High-Pressure Liquid Chromatography (HPLC), which is used to accurately and quickly determine the quality of pesticides. Apart from product quality, the Company takes into account the safety of its customers, employees, and the environment.

To emphasize the importance of quality products, the Company was certified with international standards, which helps consumers have confidence in the quality, safety, and environmental protection of products. The Company is certified with the ISO 9001: 2015 quality management system standard, the ISO 14001: 2015 environmental management system standard, and GMP (Good Manufacturing Practice for Hazardous Substance). This is a production standard in accordance with good methodology in the production of hazardous substances under the responsibility of the Food and Drug Administration (FDA), Ministry of Public Health which includes the manufacturing of pesticides and cleaning agents.

2. Product Variety

The Company is prepared to meet various customers' needs by introducing new products to keep up with consumer and market changes. This is an important factor that contributes to the Company's continuous sales growth. The Company conducted product research and studied consumer behavior in order to develop and improve the products to meet customer's needs.

For termite and pest prevention and control products The Company expanded on its success as the market leader in termite control products with cockroach, mosquito, and ant killer sprays by repackaging the entire insect spray products to be more modern and outstandingly colorful. The color of the containers is the symbol that distinguishes each group of insects. For example, orange containers are for termites, green containers are for flying and crawling insects, and yellow containers are for mosquitoes and flying insects.

In terms of cleaning products, the Company expanded its cleaning product line by launching a new product, Teepol Clinisoft, a hand wash cleaner in order to meet the hygiene care trends for mothers and children.

Additionally, pet products are thriving as consumers work from home and have more time to spend with their pets. Chaingard has introduced 1500 ml of Chaingard Complete Shampoo, which is suitable for pet grooming, in response to increased usage, and has also launched a new product with a gentle and safe concept. Chaingard Organic Shampoo for Dogs and Cats is made with natural ingredients and is very gentle. The research was conducted in collaboration with Kasetsart University's specialist veterinarians in order to meet the needs of new consumers who view their pets as a member of the family.

3. Product Prices

Apart from product quality, another factor to consider in a highly competitive industry is product pricing strategy. Products must be priced competitively, especially for brands that do not hold the majority of the market. Pricing for the product groups in which the Company's brands are market leaders is based on the Company's standard profit and an acceptable price level for consumers. The Company conducts surveys and inquires for price information from distributors and marketing departments to regularly review the prices of competitors in the market,

4. Sales and Distribution Channels

The Company's policy is to constantly expand its growth. This includes all types of retail stores, whether modern or traditional trade. This is a critical mechanism for assisting products to be distributed to consumers more easily and comprehensively. In addition, the Company has a policy to divide areas and increase the number of dealers to increase quantitative and qualitative distribution efficiency.

The Company arranged product training and marketing plans are provided to distributors and sales representatives on a regular basis. This allows for a more extensive distribution of the Company's products. The storefront areas are also arranged to be beautiful, eye-catching, and alluring to attract the attention of retailers who buy for resale. For example, display shelves were created for wholesale stores across the country in order to make the products stand out.

The Company sells products to consumers through distributors. This is the Company's primary distribution channel, accounting for approximately 78 percent of total non-food revenue. The distributors sell the Company's products to retailers throughout the country whether they are modern and traditional trade. Not only are distributors experts in product distribution and are familiar with retailers, they also make distribution more efficient which enables the Company to be able to reduce the cost of product distribution.

Moreover, the Company expanded online distribution channels in response to consumer behavior

5. Marketing and Promotional Activities

The Company is aware that brand awareness promotes brand loyalty. As a result, the Company communicates brand awareness through 360-degree offline and online media such as television, out of home media, online media, and promotional activities at storefronts which includes roadshow activities, etc. This encourages consumers to recognize the brand, the benefits, and a good image. This also creates opportunities for consumers to make a decision to purchase. However, the Company believes that good quality products will create satisfaction for consumers which will result in a continuous use of the products which will create long-term growth.

Competitive Conditions

Nowadays, the household chemical industry is highly competitive. There are numerous operators from both multinational and domestic companies. The Company has positioned itself in the market as a manufacturer of high-quality products due to various certification standards with a mid to high product price. The competitive conditions of the Company's main product groups are as follows:

Wood Preservative Products: This product group generates the highest market share for the Company because the Company was one of the first entrepreneurs to offer such products. As a result, consumers recognize the products. Presently, the number of operators in the market is still not high compared to other types of household chemical products. The factors that make the Company a market leader are high quality products that have been trusted by

consumers for a long time as well as the ability to distribute products to paint stores, as well as tool and construction material retailers. This includes TOA Paint (Thailand) Public Company Limited stores located throughout the country. In regards to the competitive conditions of the product group, the competitors continue to focus on marketing stimulus media at the point of sale.

Insect Prevention and Control Products: There is intense competition in both advertising and sales promotion for insecticide spray products as a whole. However, 85% of the market is controlled by only four operators. In 2024, the overall market value of the insecticide spray products is approximately 2,500 Million Baht. The market growth rate was negative, while the “CHAINDRITE” brand saw a growth rate. According to the Nielsen IQ (Thailand) market share ratings in 2024, the “CHAINDRITE” brand had the second largest market share. This was due to the recognition of quality and a new brand image that was able to reach a new generation better. The Company also focused on comprehensive marketing which emphasizes flying and crawling insecticide products that eliminate mosquitoes, ants, and cockroaches.

Termite Prevention and Control Products: The Company maintains the No. 1 market share for termite prevention and control sprays which is accounting for 83 percent of the market share include soil treatment products also. Chaindrite Stedfast 30 SC and Chaindrite 1, wood preservative products that prevent mold and termites continue to be one of the top market leaders because other agrochemical manufacturers, distributors and multinational companies do not have good product distribution.

Cleaning Products: The dishwashing products has an overall market value of approximately 4,600 Million Baht. This product group has fierce competition because of the product development, especially the price competition and space competition at the point of sale.

Pet Products under the “Chaingard” brand is the top brand of dog shampoo that consumers trust. Over the past year, Chaingard products continued to use marketing communication with pet lover and pet owner groups via online channels and point-of-sale communication. Over the past year, the Company focused on marketing the Chaingard complete product group. This product does not only eliminate ticks and fleas, but it gives an amazing smell. The product was designed for the coat and skin of each dog breed. Chaingard herbal products stand out exceptionally for extra gentle formulas for dogs and cats. It has been well received among cat owners who enjoy cleaning cats with hygienic bathing.

Product Procurement

The household consumer Non-Food has raw materials and packaging accounting for 85.85% of the total cost of production. The major raw materials are active technical materials accounting for 22.34%, solvents at 17.94%, and packaging at 42.67%.

Besides a reasonable price, the purchase of raw materials must meet the standards specified by the Company and the requirements of the relevant government agencies. It must be derived from reliable sources with certificates or quality certification every time a purchase is made for production. The Company does not have a policy to monopolize the purchase of raw material from a selected group of distributors in order to create flexibility in the selection of raw materials. The imported raw materials accounted for 20% and domestic raw material purchases accounted for 80%. There are many operators who distribute active technical materials. As a result, the Company has never encountered a problem of raw material shortage.

Packaging and other raw materials are purchased from more than 100 domestic manufacturers and distributors while the raw materials for the active ingredients are imported from different countries. The Company purchases the materials from various sources in Europe, Japan, India and China based on product quality and reasonable prices depending on the circumstances. This includes technology services from certain vendors.

Production Capacity and Production Volume

There are 2 factories that manufacture household products. The first factory is located on an area of 9 rai 3 ngan 93 square wa at Wellgrow Industrial Estate in Chachoengsao to produce wood preservative products, insect prevention and control products, and other product groups. The second factory is located on an area of 18 rai 51

square wa in Wellgrow Industrial Estate about 1.5 kilometers away from the first manufacturing plant to produce cleaning products. The total production capacity and the total capacity utilization rate for the Company's product groups are as follows:

| | 2024 | 2023 | 2022 |
|-----------------------------------------|------------|------------|------------|
| Wood Preservative Products: | | | |
| Full Capacity (liters/year) | 19,093,000 | 19,093,000 | 19,093,000 |
| Actual Production Volume (liters/year) | 1,194,000 | 1,292,700 | 1,081,220 |
| Capacity Utilization Rate | 6% | 7% | 6% |
| Insect Prevention and Control Products: | | | |
| Full Capacity (liters/year) | 13,524,000 | 13,524,000 | 13,524,000 |
| Actual Production Volume (liters/year) | 3,324,034 | 3,696,456 | 3,696,456 |
| Capacity Utilization Rate | 25% | 27% | 27% |
| Cleaning Products: | | | |
| Full Capacity (liters/year) | 15,935,000 | 15,935,000 | 15,935,000 |
| Actual Production Volume (liters/year) | 4,008,265 | 3,726,500 | 4,031,420 |
| Capacity Utilization Rate | 25% | 23% | 25% |
| Other Products: | | | |
| Full Capacity (liters/year) | 6,049,000 | 6,049,000 | 6,049,000 |
| Actual Production Volume (liters/year) | 1,557,578 | 1,284,600 | 1,518,655 |
| Capacity Utilization Rate | 26% | 21% | 25% |

Environmental Impact

The Company has never had any significant environmental problems. The Company's factories have a modern production process under the control of the Industrial Estate Authority of Thailand. The Company is certified with ISO 9001: 2015 and ISO 14001: 2015, environmental standards as well as the certification of Good Manufacturing Practice of hazardous substances (GMP) under the control of the Food and Drug Administration. The Company is also certified with Process Safety Management (PSM). The Company's policy regarding the environment is as follows:

1. Strictly comply with the laws and regulations related to the environment.
2. Monitor, prevent and correct, as well as reducing any environmental impact that may result from the Company's activities. This includes carrying out efficient waste disposal.
3. Appropriately use energy and natural resources for the maximum benefit.

The Company has guidelines to deal with pollution from its factories as follows:

- The Company uses septic tanks to treat waste water, effluent from general cleaning released from bathrooms, cafeteria and floor cleaning, etc. Aeration was done to ensure that the quality level is in accordance with the law.
- The Company uses an air suction system (HOOD) to remove air, dust and odor by using a dust and odor filter tank with activated carbon powder. The test results of air quality emissions into the environment must be in accordance with the criteria prescribed by law.
- Soil and groundwater contamination: The Company tests the soil and groundwater as required by law. The results meet the criteria prescribed by law.
- Noises from packing aerosol products in the Factory Building No. 2 and No.3. The Company takes every measure to prevent noise at the source by creating protection at the passage and protecting employees by providing personal protective equipment.

- Hazardous waste from the production process: The Company hired Akkie Prakan Public Company Limited to dispose of hazardous waste using legal methods.

In 2024, the Company's expenses for environmental management at factories was about 2.63 Million Baht.

Industrial Product Group

The Industrial Product Group is a business in which the Company sells products directly to industrial factories, hospitals, restaurants, contractors, pest control companies, cleaning companies, and agrochemical stores across the country because this is a customer group with large orders. Product implementation requires knowledge and techniques. Therefore, there are departments and specialists who have been trained in sales and services for the specific product groups. This can be categorized by the following product types:

1. Termite and Pest Prevention Products This includes products under the brands Chaindrite Stedfast 8 SC, Chaindrite Stedfast 10 EC, Imiforce 5 SC, Imiforce 20 SC, Biforce 10 SC, Biforce 100 EC, Zypertac 25 EC, Zypertac 10 MC, Fipforce 2.5 EC, Fipforce 5 SC, Premax 100 EC, Premax 250 EC, Premax Gel, Fipforce Powder, Alpha -Gold, Termatrix Foam, Ultraforce Termite Foam, Synerforce SP, Stun, Biforce 100 SC, Biforce 200 SC, Chaindrite Extra Strength, Vapona 50 EC, Fipforce Aqua, Imiforce 20 SC, Imiforce 200 SC, Termatrix Termite Bait, Termatrix Complete IG Set, Termatrix Magnet Monitor Tablets, and Termatrix AG Station II.

2. Industrial Cleaning Products This includes products under the brand Teepol multipurpose detergent Teepol furniture polishing, Teepol glass cleaner, , Teepol liquid hand soap, Teepol liquid hand soap colorless and odorless formula, Teepol Liquid Hand Soap Antibacteria, Teepol Dishwashing Liquid, Teepol Floor Cleaner, Teepol Toilet Cleaner, Teepol Floor Floor Glaze, Teepol Dust Remover, Teepol Al-Gel, Teepol Alcohol Spray HandSanitizer, Automatic Sanitizer Dispenser with Standee.

3. Termite and Pest Control Products for Public Health This includes products under the brands Sherwacide-D, Outtrigger, Outtrigger RTU, Submarine, Vapona 50 EC, Schooner, Dredger 10 SC.

4. Agrochemical Products This includes products for the prevention and elimination of insects: Vite Oil, Treen oil, Acetamiprid, Pyranica, Fenpyrad, Thiamethoxam, and Tangger. Fungicides Products: Pugio, Robonet, Tipblue, Bizer, Kasukamycin, Tekira, Sheranil, Maraczin and Azoxfee. Herbicides Products: Gluphosinate, Bewtac, Petilachlor, Mewpendi, and Acetchlor. Wetting Agents: Sherestol, Sir, Sherestol Plus, Sher-Balance. Fertilizer and Nutrition Products: Sherwagizer 30-10-10, Sherwagizer 18-18-18, Sherwagizer 4-10-40, Sherwagizer 4-41-27, Shermic Root-Gold, Mate, Jigsaw, Sherwa-Mix, Hi-Cab, Sherwa Mg-zing. Pest Control Products for Livestock: Sherdoll, Sherfen 10 and Sherpronil.

Distribution Channels

currently distributed through 3 major channels to reaching out our products and services in Industrial business sectors

1. Direct Channel - consists of PCOs (Pest Control Organization), Institutional, Corporation, Factory, Cleaning Service Providers, Landlord, Facilities management contractors, Agro's shops, Big Farm and Direct users.

2. Dealer and Distributors - consists of large or medium distribution partners who has market knowledge, market coverage and Serving product across the Industrial market and territory.

3. Overseas Market Industrial Sectors - Local distributors in overseas Markets import products, market, sell, and distribute them to Industrial sectors of Pest Control, Industrial Cleanings, Public Health and Agrochemicals.

Marketing Strategy

The Company attaches great importance to the development of product quality, convenience and user safety and the environment. The Company researches, develops and improves the formula for great quality and keeps up with modern technology. As a result, the products of the Company have been trusted and well received from consumers. The Company has invested in the development of modern chemical laboratories to produce quality products that meet international standards. The Company has a quality control procedure to check the quality of raw materials, production processes and the finished products. In regards to customer service, after-sales training was organized for customers, employees of large customers to ensure that they have a thorough understanding of the products and are capable of working efficiently and safely.

The Company is committed to promoting and publicizing its products in order to increase brand awareness among customers. Therefore, the Company emphasizes direct public relations by exhibiting products at the Expo in order to raise customer awareness, meet new customers and maintain the relationship with existing customers. This is viewed as a direct public relations campaign with customers, as well as an opportunity to survey competitors, market conditions, and competition in order to improve the Company's strategies and increase its competitive potential.

In the agrochemical business, the Company's advantage is its high-quality products that have been well received by customers for a long period of time. There are a variety of products available including herbicides, insecticides, fungicides, wetting agents, and fertilizers. This enables the Company to expand its market, which includes agricultural areas and significant arable land in the country, including fruit trees, rice fields, vegetables, and field crops. This will mitigate crop damage caused by plant diseases, insects, and natural disasters. The market has been expanded to cover every region of Thailand as each region has different crops, rainfall, and irrigation, and thus each area has a different demand for products.

Competitive Conditions

At the moment, competition in the hygienic chemical industry is quite fierce due to the growing number of operators, both large and small. The Company's primary competitor is chemical reagent distribution companies whether foreign competitors (multinational companies) or domestic companies. However, the Company has the advantage of the diversity of products and comprehensive services offered in comparison to competitors or other manufacturers in the industry. That is, the Company focuses on research and development of formulas to enhance the unique properties of reagents and to stay current with modern technology in order to continuously introduce the products that meet the needs of diverse range of customers while remaining competitive with competitors. As a result, the Company is able to compete with its industry competitors and maintain its position as a well-known key player in the industry.

There are multinational companies in the agrochemical industry that either manufacture their own products or purchase some products from other companies. The majority of these products are imported finished from abroad and then repackaged by domestic companies or imported as a technical grade for further distribution to Thai companies. Other domestic competitors have manufacturing plants, sales departments and promotion teams. Moreover, there are companies that have manufacturing plants but lack marketing departments. Another competitor is a sole distributor with a sales and promotion department. However, the Company has an advantage over competitors due to a variety of chemicals and applications offerings. The Company has a highly experienced sales and sales promotion team that is capable of distributing products throughout the country.

Consumer Food and Beverage

The Company manufactures food and also markets and distributes it domestically and internationally. This includes Hokkaido Food and Beverage Company Limited (HFB), Hokkaido Morimoto Company Limited (HOK), Hokkaido International Franchise Company Limited (HIF), and Lotto Food (Thailand) Company Limited. The Corporate Group also provide original equipment manufacturing services for food and beverage products to external partners which can be categorized by the following product types:

1. Snack Product Group This includes products under the "MARUCHO" brand which are roasted peanuts in 8 flavors. Chicken, Shrimp, Spicy Mexican, Mayonnaise Wasabi, Cheese, Squid, Coconut, Tom Yum Kung, Spicy Salmon Terpene and Salt roasted peanuts mixed with Himalayan salt are among the flavors. Additionally, there are premium cashews sold under the "Marucho Gold" brand available in two flavors: Himalayan Salt and Thai Hot and Spicy Flavor.

2. Beverage Product Group This includes herbal beverages under "Super Fight" brand and Orange juice mixed with Fuji apple juices under the "HOKKAIDO" brand.

3. Milk Product Group There are varieties of Milk product under "HOKKAIDO" brand. This includes ready to drink milk which offers rich, creamy, mellow flavor as traditional Hokkaido milk. It is available in 6 flavors: Original,

Chocolate, Strawberry, Banana, White chocolate and Lactose Free. For Yogurt, there are 4 flavors: Natural, Strawberry, Yuzu and Mixberry. For Drinking Yogurt, there are 2 flavors which are Natural and Strawberry. For Milk Tablet, there are 2 flavors which are Original and Chocolate. Besides, there are Soymilk and Ice-Cream category available

Research and Development

The Company has continually invented, developed and released new products to create product variety in the market. Due to the product variety of the Company, product improvements have been made in terms of packaging and taste in order to meet the lifestyles and preferences of consumers as well as adjustments have been made to meet the purchasing powers of the target consumers domestically and internationally. The Company has advantages to expand new business and its market share by improving the original products or developing new products under the existing well-known brands. This includes “MARUCHO” roasted peanuts coconut milk flavor, orange juice mixed with Fuji apple juice “HOKKAIDO” and blend of 8 herbal extracts beverage product under the “Super Fight” etc.

Before releasing any new products, the Company conducts studies and surveys consumer needs in order to develop the quality, taste, image, and style of products in order to meet the needs of consumers whether they are new product releases, improved formula products and/or modified raw material products. This can increase opportunities for business growth by introducing new products and improving existing products that respond to consumer demand and, in the long run, increases the Company’s competitiveness.

Distribution Channels

Distribution is distributed through 5 main channels.

1. Modern Trade: consist of convenience stores, supermarkets, and hypermarkets. The products are sold directly to each customer from the Company’s warehouse to the customer’s distribution center, where it is then distributed to various branches.

2. Traditional Trade and Local Modern Trade: consist of large and medium and wholesale stores and general retail stores. The product is sold through distributors to wholesale and retail stores that are in every region of the country.

3. Domestic Online Channel: The Company registered online store accounts in various platforms such as Lazada, Shopee and Facebook.

4. Local Distributors in Overseas Market: The distributors will import, market, sell and distribute products to modern retail stores wholesale stores and traditional retail stores.

5. Hokkaido Shops: The Company currently manages every branch independently in order to control service standards. Hokkaido shops have undergone significant rebranding over the last year. The stores have a more modern look and offer a wider range of product categories which are not limited to milk products but beverage products such as fruit juices, coffee, and soy milk for wellness.

Marketing and Competition

The food and beverage business industry that the Company markets and distributes has a market value of more than one hundred billion Baht per year. Competition has increased and is intense whether it is in advertising or public relations, in every type of media such as television, magazines, radio, online media, etc. This includes decorating point-of-sale displays in order to make the product stand out. Consumers received extensive promotions at the point of sale in hypermarkets, supermarkets, convenience stores, modern stores, and traditional retail stores.

Marketing Strategy

1. Product Quality

The Company aims to promote physical and mental wellness of consumers by selecting high quality raw materials and having meticulous production in clean and safe packaging. The products are designed to have a delicious taste that appeals to the target consumer group while also lowering the amount of sugar so that the product meets the “Healthy Choice Logo” standard established by the Ministry of Public Health.

2. Sales and Distribution

The Company entrusted responsibility for major distribution channels to a market expansion team to ensure that the products are distributed to all target groups in every channel. The Company's business partners are also in charge of distributing products to all channels throughout the country, including modern trade, convenience stores, super-markets, hypermarkets, and traditional trade. This is evident because the Company's products are available in all channels across the country.

The Company controlled and monitored the products from the movement of ready-to-sell products at the production base up until the distributors and distribution to retail stores. To ensure that Company's products will be distributed and reach customers quickly and without any product shortages, the Company controlled and monitored the products from the movement of ready-to-sell products at the production base up until the distributors and distribution to retail stores. Besides, the Company has a team that monitors sales results and product turnover in each area in order to forecast sales volumes and approximate the amount of inventory, as well as determine sales and marketing plans that are appropriate for customers in each area.

Online customers expansion, as current customers behavior has changed, The Company adjusted its sales strategy by encouraging more sales through various online channels, whether participating in promotions with online channels or launching an official store in various marketplaces to sell products directly to consumers. This was accomplished through a variety of promotions tied to the festivals and campaigns of these marketplace online platforms.

3. Marketing Activities and Promotions

Marketing policy is an important business strategy for the Company. The Company focused on the continuously marketing to create influencing brand by always being available on media. In order to be the Top- of -Mind brand among customers, The company started to re-branding Marucho brand in the past 30 years to uplift brand image to be more modern and trendy that was able to reach Younger generation better. The Company also focused on comprehensive marketing which emphasizes through 360 degree marketing such as TV media, online media movie media, out of home media, school tour activities that can reach teen targets.

Competitive Conditions

The snack food and beverage industry is extremely competitive due to the diversity of original operators, new entrepreneurs who may or may not have their own trademarks, substitute products, or innovative production, distribution channels, as well as advertisement and sales promotion or the ability to respond to fluctuating demand. As a result, competition within the industry is more intense. The increased demand of the snack food industry in Thailand is gearing towards healthy snacks that have high protein because today's consumers are beginning to look after their health and avoid consuming foods that have an adverse effect on their health.

The healthy drink market in Thailand continues to be popular because of the changing behavior of consumers during the COVID-19 pandemic. Over the past year, many companies in the industry launched a variety of healthy drink products. The Company also launched new blend of 8 herbal extracts beverage product under the "Super Fight" brand.

The effect of the decline in supply of domestic raw cow milk from surging dairy farming costs led to additional constraints on the milk industry's ability to conduct business, both upstream and downstream. This resulted in insufficient raw materials and increased costs.

Product Procurement

Procurement of raw materials for production and operations: The Company's primary concerns are the quality and the origin of raw materials. The quality control department was established to control and inspect the quality of raw materials to meet the required standards and compare prices of the same raw materials to ensure price transparency and the best cost-benefit ratio. Apart from this, the Company also looks for new raw material suppliers and innovations that may substitute the existing raw materials to prevent the risk of raw material shortages and reduce the cost of raw materials. In addition, the Company has guidelines to maintain good relationships with raw material suppliers and assess the suppliers every year. The Company also has a policy to procure raw materials from at least two or three suppliers to avoid over-reliance on a single supplier and to create bargaining power for the Company.

The majority of the raw materials used in the Company's production are agricultural products that have been processed to increase their value. Currently, the Company obtains the majority of its raw materials from more than 50 suppliers. Oranges, palm oil, sugar, sauces, seasonings, and other condiments, starches, and sweeteners are examples of domestic raw materials. Bottles, envelopes, films, cans, corrugated boxes, and other types of domestic packaging were used. Imported raw materials included nuts, milk power, seasonings, leavening agents, and other ingredients.

Production Capacity and Production Volume

Marucho Factory is located at 118 Moo 1 Dong Klongniyomyattra, Bang Bo, Samutprakan.

| | 2024 | 2023 | 2022 |
|-------------------------------------------|-----------|-----------|-----------|
| Peanuts Products: | | | |
| Full Capacity (kilograms/year) | 2,700,000 | 2,700,000 | 2,700,000 |
| Actual Production Volume (kilograms/year) | 526,796 | 848,331 | 598,911 |
| Capacity Utilization Rate | 19% | 32% | 22% |

Hokkaido Factory is located at Buathong Factory 2 Project, 48/85-87 Moo 2, Bang Krui-Sainoi Road, Bang Rak Yai, Bang Bua Thong, Nonthaburi.

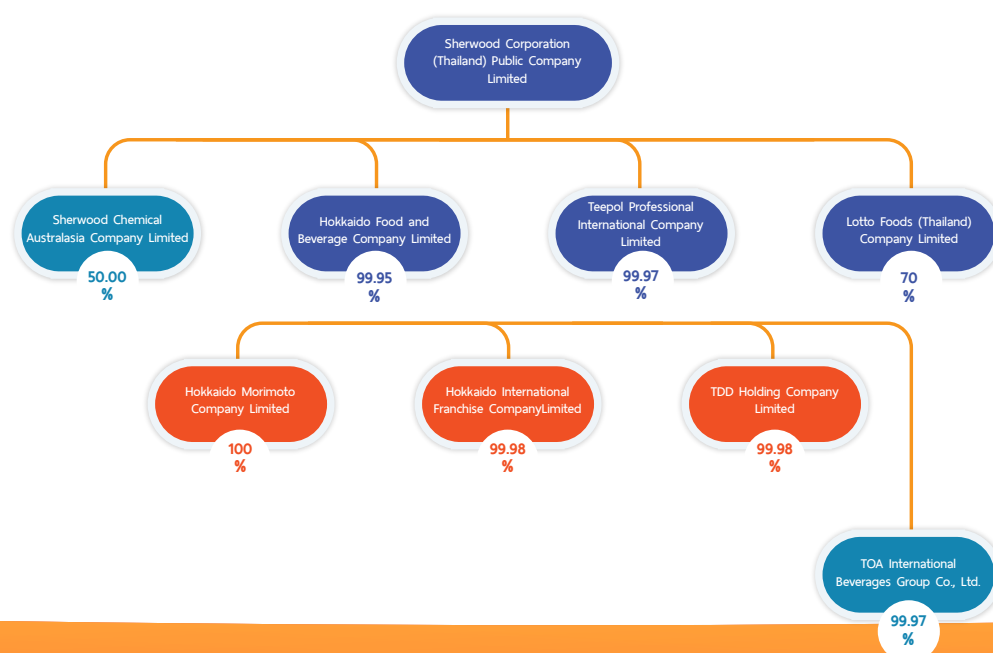
| | 2024 | 2023 | 2022 |
|----------------------------------------|---------|---------|---------|
| Milk Products: | | | |
| Full Capacity (liters/year) | 939,600 | 939,600 | 939,600 |
| Actual Production Volume (liters/year) | 122,424 | 129,461 | 96,335 |
| Capacity Utilization Rate | 13% | 13% | 10% |

Environmental Impact

Wastewater from the production process is treated to meet the standards before being discharged into the industrial estate's central wastewater treatment system. Waste management is carried out in accordance with the Minister's instructions, which are published in the Government Gazette, regarding the disposal of waste or unused materials.

1.3 Shareholding Structure of the Corporate Group

The Company's policy is to invest in chemical businesses that are complementary to its current operations and to expand its investments in the food and beverage business. The Company's policy is to assign a director with controlling power over the subsidiary in order to efficiently manage the subsidiary's management in accordance with the Company's policies. The shareholding structure of the corporate group as of December 31, 2024 is as follows:



The Company's subsidiaries are as follows:

Sherwood Chemical Australasia Company Limited operates a business in distributing household and industrial chemicals in Australia with a shareholding of 50% of the investment fund. Hokkaido Food and Beverage Company Limited engages in the business of manufacturing and distributing consumer products such as milk and snacks with a shareholding of 99.95% of the investment fund. Teepol Professional International Company Limited operates manufacturing and distributing cleaning solutions domestically and internationally with a shareholding of 99.97% of the investment fund. Lotto Food (Thailand) Company Limited, with a 70% of the investment, operates manufacturing and distributing plant-based protein products as a new alternative for future food consumption.

| | |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Subsidiary No.1 | : Sherwood Chemical Australasia Co., Ltd. |
| Type of Business | : Distributing household and industrial chemicals products. |
| Office | : 3rd Floor, 1060 Hay Road, West Perth Australia 6005 |
| Company Website | : www.sherwoodchemicals.com.au |
| Telephone Number | : +61 892194683 |
| Fax Number | : +61 892194672 |
| Share Capital | : Registered and paid-up capital, 2,000 ordinary shares at a par value of \$10 AU per share, and a 50% investment ratio. |
| Subsidiary No. 2 | : Hokkaido Food and Beverage Co., Ltd. |
| Type of Business | : Manufacturing and distributing consumer products such as milk and confectioneries |
| Office | : 1065 Srinakarin Road, Suan Luang, Suan Luang, Bangkok 10250 |
| Telephone Number | : 0-2320-2288 |
| Fax Number | : 0-2320-2670 |
| Share Capital | : 50,000,000 Baht Registered capital, 500,000 ordinary shares at a par value of 100 Baht per share. Percentage of Shareholding 99.95% |
| Subsidiary No.3 | : Teepol Professional International Co., Ltd. |
| Type of Business | : Manufacturing and distributing cleaning solutions domestically and internationally. |
| Office | : 1065 Srinakarin Road, Suan Luang, Suan Luang, Bangkok 10250 |
| Telephone Number | : 0-2320-2288 |
| Fax Number | : 0-2320-2670 |
| Share Capital | : 1,000,000 Baht Registered capital, 10,000 ordinary shares at a par value of 100 Baht per share. Percentage of Shareholding 99.97% |
| Subsidiary No.4 | : Lotto Food (Thailand) Co., Ltd. |
| Type of Business | : Manufacturing and distributing plant-based protein products as a new alternative for future food consumption. |
| Office | : 1065 Srinakarin Road, Suan Luang, Suan Luang, Bangkok 10250 |
| Telephone Number | : 0-2320-2288 |
| Fax Number | : 0-2320-2670 |
| Share Capital | : 10,000,000 Baht registered capital, 1,000,000 ordinary shares at a par value of 10 Baht per share. Percentage of shareholding 70% |

Shareholding Structure

The top 10 major shareholders of the Company as of May 8, 2024

| Name | No. of shares | % of shareholding |
|---------------------------------------|--------------------|-------------------|
| 1. TOA Venture Holding Co., Ltd. | 299,844,600 | 66.13 |
| 2. Mr. Visnu Skulpichetrat | 45,339,200 | 10.00 |
| 3. Ms. Palita Kusakul | 24,240,000 | 5.35 |
| 4. Mr. Bunwan Worathamthongdee | 10,625,626 | 2.34 |
| 5. Mr. Nipon Komolsuvan | 9,253,014 | 2.04 |
| 6. Mr. Narin Trisukosol | 8,000,000 | 1.76 |
| 7. Mr. Paisan Pisutvacharakul | 6,000,000 | 1.32 |
| 8. Life Saver International Co., Ltd. | 3,000,000 | 0.66 |
| 9. Mr. Visrut Skulpichetrat | 2,898,400 | 0.64 |
| 10.Mr. Sittichai Suwanjongsathi | 2,728,600 | 0.60 |
| Total | 411,929,440 | 90.84 |

1.4 Registered and Paid-Up Capital

The Company's registered capital is 257,669,648 Baht. The paid-up capital is 249,366,090 Baht. There are 498,732,180 ordinary shares with a par value of 0.50 Baht per share.

1.5 Dividend Policy

The Company's dividend policy is to pay no less than 40% of the net profit after taxes and legal reserves. The Company considers factors such as its operating results and financial position, liquidity, business expansion, and other factors relevant to the Company's management under the condition that such actions must generate maximum benefit for its shareholders.

2. Risk Management

2.1 Policies and Risk Management Plan

The Company established a risk management framework to be implemented effectively as follows:

The Company established the objectives, goals, strategies, plans/tasks/activities of each business unit. The objectives should identify what measurements the organization or entity expects to achieve. Therefore, the objectives must demonstrate the achievements that the organization or unit seeks to accomplish. Risk Management Team (Risk Owner), which consists of executives of each department covering all important departments of the organization, are responsible for identifying risks both internal and external that may affect the goals of the organization and managing such risks to an acceptable level. The Risk Owner will also identify activities within their own unit that involve the risk, as well as assessing the likelihood and severity of the risk's impact in order to make appropriate risk management decisions. The following risk categories have been identified:

1. Strategic Risks
2. Operational Risks
3. Financial Risks
4. Compliance Risks

Moreover, Risk Owner is also responsible for monitoring the progress of the implementation of the risk management plan as well as reviewing the risks that may arise and reporting to the Risk Management Committee every meeting.

2.2 Risk Factors

1. The Risk of New Operators and Increased Competition

Nowadays, the Fast Moving Consumer Goods industry is highly competitive. There are numerous operators from both multinational and domestic companies. There are more than ten trademarks in each product group. If the competition intensifies, prices may be affected, resulting in lower profits or revenue. However, there are only a few large operators that hold a significant market share because the success of each product's trademark derives from the correct marketing element. This means that the price level must be suitable for the quality. The budget must be regularly used to advertise and promote sales in various ways in order to create confidence in the products which in turn creates product loyalty. This also includes the ability to distribute products in various areas. Therefore, it takes some time for the new trademarks to have an opportunity to successfully increase the market share, especially in regards to the production of insecticide products because they require special techniques, knowledge, and expertise in importing raw materials, researching, and testing products to develop new products before being able to request a permit from Food and Drug Administration, Ministry of Public Health or any relevant government agencies. This ensures that such products can be used as specified in the quality, without harming consumers and does not cause any environmental impact when used in accordance with the instructions on the label.

2. Risk from Depending on Certain Product Groups

The Company's main product group is insecticides under the "CHAINDRITE" brand. The proportion of sales is approximately 66% of total sales. The Company's reliance on the insecticide product group for the majority of its income may have a negative impact on the Company's performance if insecticide products lose popularity with consumers as a result of new technologies or changes to consumer behavior.

To mitigate this risk, the Company is attempting to broaden its business to include more comprehensive cleaning products under the "Teepol" brand, as well as develop insecticide products that use organic ingredients in order to support the health trend and reduce the use of chemicals. The Company also expanded its business into agrochemicals such as herbicide and fertilizer products, and also food and beverage products by manufacturing and selling peanuts products under the "MARUCHO" brand, and milk products under the "HOKKAIDO" brand and to reduce the reliance of income on a certain product group.

3. Risk of new product development

New product development has to be done continuously to meet the changing needs of consumers, and the Company may face the risk of developing new products that are time-sensitive and cost management in order to meet the needs of the consumers, and it is able to compete in the market, by having appointed the Product Committee to consider and screen revisit new products and give opinions to the new product development team (Stage Gate) from the conceptual stage until development test and launch to the market, including setting a guideline that every time before launching or inventing a new product, the Company will survey consumer behavior and needs by testing of production quality, packaging design, taste testing and analysis of yields from the production and commercialization of new products in controllable level. The Company has established a Research and Development department, the products are developed regularly under effective and efficient budget management so that consumers and customers can be confident that the new product release will be a success in the target consumer market.

4. Risk from Fluctuations in the Raw Material Price

Raw material costs are considered to be the main production expense which accounts for 85.05% of the cost of sales. The fluctuation in raw material prices directly affects the cost of products and the Company's operating results because the Company cannot immediately adjust the selling price in accordance with the fluctuating raw material prices. In regards to the active technical materials that must be imported from other countries, such as the United States, Europe, Japan, India, and China, the Company has a policy of purchasing raw materials from multiple manufacturers in order to reduce the risk of raw material shortages. This also increases bargaining power in terms of price and quality. Other major raw materials, such as LPG and solvents, whose prices vary according to supply and demand in both regional and global markets, are beyond the Company's control. However, the Company used a strategy of releasing a variety of products for sale, causing the product costs to be spread out, as well as managing the cost of raw materials and the pricing structure to have a profitable relationship.

The increase in raw material prices has a smaller impact than raw material shortages. To avoid the problem of raw material shortages which occur frequently when raw material prices rise, the purchasing department must be alerted of any updates and must adjust the order quantity in order to have more raw materials in stock for any materials that are expected to be in short supply.

5. Exchange Rate Risk

The majority of the Company's raw materials are active technical materials that must be imported from other countries, the majority of which are priced in US dollars. In some cases, the Company will enter into a short-term foreign currency forward contract prior to the payment date, particularly during periods in which the exchange rate is expected to fluctuate. If exchange rate fluctuations affect the price of raw materials, they will have little effect on the Company's gross profit.

6. Risk from Climate Changes

From rising global temperature tendency, climate that varies including various disasters that occur at the present time such as forest fire, flood and drought, all of which are caused by the increasingly serious global warming problem and affect business operations.

The Company realizes the importance of global warming that affects business operations and creates the Company's sustainability. Therefore, the Company focuses on the management of business practices to reduce the impact on global warming such as the use of solar energy in the production process to substitute for the use of electricity from fossil fuel to reduce greenhouse gas emissions into the atmosphere as well as the systematic collection of water consumption and the specification for indicating goal to reduce water consumption. Moreover, the Company has built a culture of caring for the environment and society in the organization by focusing on saving energy and caring for the environment, such as campaign against the use of plastic food containers, reducing the printing volume and paper usage in the working process and changing the form of coordinating businesses through online channels in order to reduce the burning of gas from travel, etc.

7. Risk from Technology Changes

At present, digital technology has played an important role in the competitiveness and differentiation of businesses to become the market leader of leading companies, the rapid transformation of digital technologies such as Data Analytic, Artificial Intelligence (AI), technological advances, in response to the expectations of stakeholders, may affect the competitiveness, products and business model of the Company.

However, the Company has set a goal to take advantage of technology in the pursuit of opportunities to meet the needs of its stakeholders for utmost benefit through following operations.

- Having an internal digital marketing team to produce content and buy media across all platforms. As online media consumption increases, businesses need to build an Internal Digital Marketing team capable of producing content appropriate for each platform such as Facebook, Instagram, YouTube, TikTok or other platforms. Moreover, in-house media buying also allows for efficient budget management and the ability to quickly adjust marketing plans to changing circumstances.
- Improving the website to be SEO-friendly to support information search. In an era where consumers use Google as their primary tool for searching for information, the Company's website needs to be optimized according to the principles of Search Engine Optimization in order to rank higher in search results, which will increase the chances of reaching the target audience and build credibility for the brand. Moreover, Good SEO should cover both On-Page SEO and Off-Page SEO.
- Having a CRM system to understand your target audience. Customer Relationship Management is a system that helps businesses manage customer data effectively, whether it is purchasing behavior, communication or customer needs. This information can be used to analyze and develop marketing strategies that better meet the needs of the target group, and also helps in building good relationships and maintaining a long-term customer base.
- Having an E-Commerce system to support changes in purchasing behavior. Nowadays, consumers are increasingly buying products online, having an efficient E-Commerce system not only helps customers to buy products more conveniently, but also helps increase sales and expand the customer base to a wider market. SWC have stores on Shopee, Lazada and TikTok Shop to align with the behavior of the target group.

8. Risks of Impact from Changes in Government Policies, Laws, Rules and Regulations

The operations and products of the Company and its subsidiaries are involved in many governmental policies and regulations, such as insecticides, cleaning agents, and agrochemicals which are necessary to obtain a license for production and distribution from government agencies and the production process of the Company has main raw materials such as chemicals, to be procured of raw materials from domestic sources and imported from abroad for production process. The import of chemicals from foreign countries and the use of chemicals in production must be performed under the rules and regulations such as the Hazardous Substance Act, B.E. 2535 (1992), etc. The Company and its subsidiaries are required to comply with laws and regulations and have all licenses, changes in government policies may affect the operations of the Company and its subsidiaries; therefore, the risk is the Company and its subsidiaries could not adjust themselves to keep up with the changing policies, laws, rules or regulations, which may result in revocation of some important licenses.

However, the Company is well aware of such risks, therefore, strictly complies with relevant laws and applies for all licenses. Thanks to the expertise of a management team with a long history of experience in the industry, and the Company has a research and development department that has knowledge and understanding of rules and regulations of chemicals relevant to the Company. The Company can manage risks in line with government policies, laws, rules and regulations that may affect the Company. The Company is therefore confident that its operations will not be significantly impacted by the aforementioned risks.

3. Driving Business for Sustainability

3.1 Sustainability Management Policies and Goals

The Company believes that conducting business in a way that leads to a strong and sustainable organization requires in addition to need good governance, ethics, business conduct. The company also need the development of operational approaches that integrate environmental, social, governance, and economic dimensions. This approach should consider all stakeholders, including shareholders, employees, customers, creditors, business partners, competitors, the government, communities, society, and the environment.

3.2 Managing the Impact on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

The Company places importance on management throughout the business value chain from upstream to downstream in order to create value for products and services and meet the expectations of all stakeholders. Therefore, guidelines for managing impacts on stakeholders in the business value chain have been established to achieve sustainable development, and create balance in the environmental dimensions, social dimensions, corporate governance and economic dimensions by analyzing activities throughout the business value chain as follows:

Primary Activities refer to the value chain of the business, which consists of five main activities:

1. Procurement of Raw Materials

The Company sources high-quality raw materials that meet standards from trusted suppliers in both domestic and international markets, ensuring transparency as required by the Company. Additionally, the company ensures that the procurement costs are competitive, allowing for market competitiveness. Quality checks and inspections are performed before materials enter the production process.

2. Production Process

The Company has continuously developed and improved the production process to reduce time and minimize waste. Quality control is implemented at every stage of production, with experts testing product and service efficiency to ensure compliance with set standards. Research and development focus on diversifying products and services and optimizing efficiency to meet consumer demands. The Company also considers the impact on communities, society, and the environment.

3. Marketing and Sales

The Company focuses on strengthening the brand, creating an image for products and services, and designing packaging to increase recognition and customer confidence. Prices are set competitively in the market, and sales channels are developed to align with changing consumer behavior.

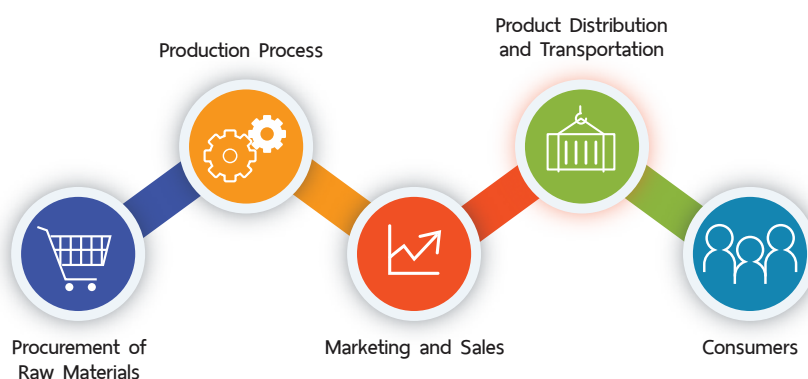
4. Distribution and Logistics

The Company has a policy to distribute products to all types of retail stores, including modern trade and traditional trade channels. This mechanism ensures the wide distribution of products and services to consumers and expansion into international markets. Inventory management is optimized for efficiency, and logistics are carefully managed to maximize effectiveness and reduce costs.

5. Customer Service

The Company ensures timely delivery of products and services that meet customer expectations. Customer service includes product usage guidance, after-sales services, and satisfaction surveys to improve or maintain customer satisfaction and find ways to better meet their expectations.

Support Activities refer to other departments that support the primary activities across the value chain, from upstream to downstream. These include company infrastructure, accounting and finance, human resources management, information technology systems, procurement, research and development, safety, occupational health, working environment, corporate governance, risk management, and internal auditing.



3.2.2 Stakeholders Analysis in the Business Value Chain

The Company conducted a continuous analysis of issues that may arise from all stakeholders through various activities and communication channels. The Company also determined how to meet the expectations of all stakeholders

| Stakeholders | Expectation / Requirement | Response | Engagement Channels |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders and Investors | <ul style="list-style-type: none"> - Good corporate governance - Non-discrimination - Good return from investment - Good communication and sufficient information for decision making - Compliance with terms and conditions - Good auditing and control - Personal Data Protection | <ul style="list-style-type: none"> - Determine good corporate governance policy - Equitable treatment of shareholders - Proper dividend payments - Disclose information in a transparent, accurate, and timely manner - Comply with the Anti-Corruption Policy - Comply with Code of Conduct - Comply with Personal Data Protection Policy | <ul style="list-style-type: none"> - Annual General Meeting of Shareholders - Quarterly Performance Report - Annual Registration Statement / Annual Report (Form 56-1 One Report) - Sustainability Report - Communication Channels - Receive complaints/answer inquiries |
| Employees | <ul style="list-style-type: none"> - Non-discrimination - Regularly communicate strategy and business direction, promote communication between management and employee - Good and appropriate compensation and benefit - Retirement well-being - Equally opportunities in career path - Training and Development Plan - Talent Development and retention - Safety, occupational health and working environment Management with standard - Personal Data Protection | <ul style="list-style-type: none"> - Respect human rights and treat people equally - Manage remuneration, welfare and benefits so that they are appropriate and fair - Provide employees the opportunities to participate through Welfare Committee - Provident Fund - Provide training programs to enhance knowledge, capabilities and relevant skills - Promotion and development of employee potential - Comply with quality, safety, occupational health and environmental policies - Comply with the Anti-Corruption Policy - Comply with Code of Conduct - Comply with Personal Data Protection Policy | <ul style="list-style-type: none"> - Town Hall - HR Communication / Bulletin Board / Intranet - New Employee Orientation - Establishment of the Welfare Committee - Annual Performance Evaluation - Training Need Survey - Employee Engagement Survey - Comply with quality, safety, occupational health and environmental policies - Receive complaints/answer inquiries |

| Stakeholders | Expectation / Requirement | Response | Engagement Channels |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers | <ul style="list-style-type: none"> - Standard quality of product and service - Completely acknowledge information of product and service - Safety of products usage - Appropriate price - Brand trust - Product and service development - Comply with agreement - Correctly and on time product and service delivering - Efficient after-sales service - Customer non-disclosure agreement - Personal Data Protection | <ul style="list-style-type: none"> - Correctly and on time product and service delivering with warranty - Completely Product training for customer - Continuously development of product and service - Determine appropriate price - Provide customer service unit - Develop customer data management system for customer data protection - Collect data from customer for product and service development - ISO 9001 Quality Management - GMP Hazard - Comply with the Anti-Corruption Policy - Comply with Code of Conduct - Comply with Personal Data Protection Policy | <ul style="list-style-type: none"> - Communicate product information through product labels - Create advertisements to communicate, create brand awareness and build confidence in brand - Market Research - Distributors/Customers visit - Organize exhibitions - Customer satisfaction survey - Receive complaints/answer inquiries |
| Creditors and Business partners | <ul style="list-style-type: none"> - Comply with agreement, terms and conditions - Provide non-discrimination and transparent business - Non-discrimination and transparent competition - Payment on due - Personal Data Protection | <ul style="list-style-type: none"> - Fair and transparent business agreement - Strict compliance with contracts and the terms of the agreement - Payment on due - Comply with the Company's procurement policy - Knowledge sharing for product and service development - Comply with no gift policy - Comply with the Anti-Corruption Policy - Comply with Code of Conduct - Comply with Personal Data Protection Policy | <ul style="list-style-type: none"> - Company's procurement policy - Discussion meeting and conference - Communication channels - Arrange activities to create good relationship between company and partner - Receive complaints/answer inquiries |

| Stakeholders | Expectation / Requirement | Response | Engagement Channels |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Competitors | <ul style="list-style-type: none"> - Non-discrimination and transparent competition - Comply with applicable laws and regulations - Do not infringe on confidentiality or trade secrets of competitors with fraudulent methods - Do not destroy the reputation and relationships with competitors - Do not infringe on intellectual property or copyrighted works of others or competitors - Personal Data Protection | <ul style="list-style-type: none"> - Treat competitors fairly under the competition framework - Comply with the Anti-Corruption Policy - Comply with Code of Conduct - Comply with Personal Data Protection Policy | <ul style="list-style-type: none"> - Meet and share experiences - Receive complaints/answer inquiries |
| The Public Sector | <ul style="list-style-type: none"> - Comply with applicable laws and regulations - Cooperate in information providing for government - Provide support to government projects - Be responsible to the community, society, and environment | <ul style="list-style-type: none"> - Comply with applicable laws and regulations - Tax payment on due - Report information as required by law - Provide support to government projects - Comply with the Anti-Corruption Policy - Comply with Code of Conduct | <ul style="list-style-type: none"> - Terms and condition according to legal related to business |
| Community and Society | <ul style="list-style-type: none"> - Provide support to public sector's projects - Provide support for disaster strikes - Good relation with community - Be responsible to the community, society, and environment | <ul style="list-style-type: none"> - Provide support to public sector's projects - Provide product for community and society - Promote employee to be responsible to the community, society, and environment - Comply with the Anti-Corruption Policy - Comply with Code of Conduct | <ul style="list-style-type: none"> - Provide Corporate Social Responsibility Activity - Receive complaints/answer inquiries |

| Stakeholders | Expectation / Requirement | Response | Engagement Channels |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| The Environment | <ul style="list-style-type: none"> - Comply with legal and related regulatory - Be responsible to environment | <ul style="list-style-type: none"> - Comply with quality, safety, occupational health and environmental policies - The Company monitors and manages wastes disposals, both from the production process and general use as well as contaminants - Production process improvement and development for environmental impact reduction - Promote efficiency resources allocation awareness to all level of employee - ISO 14001 Management | <ul style="list-style-type: none"> - Knowledge sharing about legal, regulatory and best practice |

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Environmental Policies and Practices

The Company conducts business with an awareness of the importance of the environment. As a result, the Company strictly adheres to environmental laws and regulations and continually improves its environmental management system in order to mitigate the environmental impact of its business operations.

3.3.2 Environmental Performance

• Environmental Management

The Company places great importance on the environmental impacts that arise from its business operations, both direct and indirect. The Company has been certified with the ISO 14001:2015 Environmental Management System standard and has policies and practices in place to monitor and manage every step of the business value chain. The goal is to reduce the use of energy, water, waste, and emissions of greenhouse gases. Additionally, the Company promotes and instills environmental awareness among its employees, encouraging them to take care of the environment and use natural resources to their fullest potential.

Table displaying the number of cases or incidents that violate the law or have significant negative impacts on the environment over the past 3 years.

| Items | Unit | 2022 | 2023 | 2024 |
|----------------------------------------------------------------------------------------------------------------|-------|------|------|------|
| The number of cases or incidents that violate the law or have a significant negative impact on the environment | Cases | 0 | 0 | 0 |

Green Industry Project

The Company aspires to become a “Green Industry” in accordance with the Ministry of Industry’s project which promotes continuous system improvement that contributes to environmentally friendly value chain and supports sustainable development. The Company is currently operating on the third level of the green system, which is systematic environmental management. There is follow-up, evaluation, and review in order to maintain continuous development. The Company also received highly regarded environmental awards and certifications for environmental standards.

In 2024 the Company have environmental management expense for factory around 2.63 million Baht.

• Energy Management

Energy is a crucial resource in the industrial sector. Currently, the trend of fluctuating energy prices has been rising, resulting in a continuous increase in energy costs. Therefore, the Company promotes the efficient and effective use of energy to maximize its benefits. The Company’s energy conservation approach is based on the principles of energy management outlined in the Energy Conservation Promotion Act B.E. 2535 (1992) and its amendments, to promote and control energy use. Additionally, the Company has been certified with the ISO 50001:2018 Energy Management System standard, which encourages a focus on continuously improving energy use efficiency. The company has communicated this to all employees, ensuring they understand and practice it correctly.

Energy management information : Electricity

Table displaying the company’s electricity consumption over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|-------------------------------------------------------------------------------|----------------|--------------|--------------|--------------|
| Electricity consumption target | Kilowatt-hours | 2,250,000.00 | 2,200,000.00 | 2,200,000.00 |
| Total electricity consumption | Kilowatt-hours | 1,762,032.00 | 1,703,436.00 | 1,769,016.00 |
| The variance between actual electricity consumption and the target | Kilowatt-hours | -487,968.00 | -496,564.00 | -430,984.00 |
| The percentage variance between actual electricity consumption and the target | % | -21.69 | -22.57 | -19.59 |
| Electricity purchase volume | Kilowatt-hours | 1,762,032.00 | 1,703,436.00 | 1,769,016.00 |
| Volume of electricity purchased or generated from renewable energy sources | Kilowatt-hours | 0.00 | 0.00 | 0.00 |

Table displaying the company's electricity expenses over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|-------------------------------------------------------------------|-------------------|--------------|--------------|--------------|
| Electricity expense | Baht | 7,621,915.00 | 8,607,412.90 | 8,221,261.69 |
| The percentage of electricity expenses relative to total expenses | % | 0.46 | 0.53 | 0.52 |
| The percentage of electricity expenses relative to total revenue | % | 0.45 | 0.50 | 0.49 |
| Electricity expense ratio per total number of employees | Baht/person /year | 19,394.19 | 22,299.00 | 20,450.90 |

Energy management information: Oil and Fuel

Table displaying the company's oil and fuel consumption over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|----------|-------|-----------|-----------|-----------|
| Diesel | Litre | 19,379.48 | 17,265.93 | 15,491.33 |
| Gasoline | Litre | 331.60 | 364.25 | 308.97 |

Table displaying the company's fuel and oil expenses over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|--------------------------------------------------------------------|------|------------|------------|------------|
| Oil and fuel expense | Baht | 671,759.21 | 134,272.90 | 134,272.90 |
| The percentage of fuel and oil expenses relative to total expenses | % | 0.04 | 0.01 | 0.01 |
| The percentage of fuel and oil expenses relative to total revenue | % | 0.04 | 0.01 | 0.01 |

Energy Conservation Activities

- Establish an energy conservation working group
- Turn off lights in the building and parking areas at specified times and only turn them on when necessary
- Turn off lights in meeting rooms and unplug electrical equipment after use
- Turn off the computer screen during lunch time, and turn off the device every time after use
- Replace paper use with data transmission via computers
- Turn off photocopiers after use and use recycled paper for printing black and white documents that are not important
- Promote the use of LED light bulbs
- Set air conditioners to 25°C and clean them regularly
- Study projects for installing solar power generation systems (Solar Cells)

• Water Management

Water is a natural resource essential to all stakeholders. Therefore, the Company prioritizes the management of water resources to maximize efficiency and value through the 3Rs principle: Reduce (reduce use), Reuse (use again), and Recycle (recycle). This is implemented throughout every activity across the value chain of the business. The Company also controls the disposal of wastewater into natural water sources and promotes awareness among employees about the importance of using water wisely.

Water management information

Table displaying the company's water consumption by source over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|---------------------------------------------------------------------|------------------------------|------------|------------|------------|
| Water consumption target | Cubic meters | 38,000.00 | 37,000.00 | 37,000.00 |
| Total Water Consumption | Cubic meters | 21,923.00 | 23,721.00 | 21,802.00 |
| Water Consumption from Tap Water or Other Organizations | Cubic meters | 21,923.00 | 23,721.00 | 21,802.00 |
| Surface Water Consumption | Cubic meters | 0.00 | 0.00 | 0.00 |
| Groundwater Consumption | Cubic meters | 0.00 | 0.00 | 0.00 |
| Seawater Consumption | Cubic meters | 0.00 | 0.00 | 0.00 |
| Variance Between Actual Water Consumption and the Target | Cubic meters | -16,077.00 | -13,279.00 | -15,198.00 |
| Percentage Variance Between Actual Water Consumption and the Target | % | -42.31 | -35.89 | -41.08 |
| Water Consumption per Employee | Cubic meters /person/year | 55.78 | 61.45 | 54.23 |

Table displaying the company's water expenses over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|---------------------------------------------------------|----------------------|------------|------------|------------|
| Total Water Expenses | Baht | 526,152.00 | 711,630.00 | 675,862.00 |
| Water Expenses from Tap Water or Other Organizations | Baht | 526,152.00 | 711,630.00 | 675,862.00 |
| Other Water Expenses | Baht | 0.00 | 0.00 | 0.00 |
| Percentage of Water Expenses Relative to Total Expenses | % | 0.03 | 0.04 | 0.04 |
| Percentage of Water Expenses Relative to Total Revenue | % | 0.03 | 0.04 | 0.04 |
| Water Expense Ratio per Employee | Baht/person /year | 1,338.81 | 1,843.60 | 1,681.25 |

• Waste Management

The Company has a waste and waste management approach based on the Green Industry program, eco-industrial principles, and the 3Rs principle: Reduce (reduce use), Reuse (reuse), Recycle (recycle), along with strict adherence to regulations, standards, and laws, to reduce waste generation and minimize environmental impact.

Waste management information

Table displaying the company's waste generation over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|-----------------------------------------------------------|------------------------------|------------|------------|------------|
| Total Waste Generation | Kilograms | 156,692.00 | 113,991.00 | 187,652.50 |
| Total Non-Hazardous Waste | Kilograms | 57,831.00 | 79,931.00 | 79,322.50 |
| Non-Hazardous Waste – Landfilled | Kilograms | 0.00 | 0.00 | 0.00 |
| Non-Hazardous Waste – Incinerated with Energy Recovery | Kilograms | 0.00 | 0.00 | 0.00 |
| Non-Hazardous Waste – Incinerated without Energy Recovery | Kilograms | 0.00 | 0.00 | 0.00 |
| Non-Hazardous Waste – Other | Kilograms | 57,831.00 | 79,931.00 | 79,322.50 |
| Total Hazardous Waste | Kilograms | 98,861.00 | 34,060.00 | 108,330.00 |
| Hazardous Waste – Landfilled | Kilograms | 0.00 | 0.00 | 0.00 |
| Hazardous Waste – Incinerated with Energy Recovery | Kilograms | 0.00 | 0.00 | 0.00 |
| Hazardous Waste – Incinerated without Energy Recovery | Kilograms | 98,861.00 | 34,060.00 | 108,330.00 |
| Hazardous Waste – Other | Kilograms | 0.00 | 0.00 | 0.00 |
| Non-Hazardous Waste to Total Revenue Ratio | Kilograms/1,000 Baht revenue | 0.03 | 0.05 | 0.05 |
| Hazardous Waste to Total Revenue Ratio | Kilograms/1,000 Baht revenue | 0.06 | 0.02 | 0.06 |
| Total Waste to Total Revenue Ratio | Kilograms/1,000 Baht revenue | 0.09 | 0.07 | 0.11 |

Table displaying the company's waste materials reused and recycled over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|---------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| Total Waste Reused/ Recycled | Kilograms | 95,061.00 | 79,931.00 | 79,322.50 |
| Non-Hazardous Waste Reused/ Recycled | Kilograms | 57,831.00 | 45,871.00 | 79,322.50 |
| Hazardous Waste Reused/ Recycled | Kilograms | 37,230.00 | 34,060.00 | 0.00 |
| Percentage of Non-Hazardous Waste Reused/ Recycled to Total Non-Hazardous Waste | % | 100.00 | 57.39 | 100.00 |
| Percentage of Hazardous Waste Reused/ Recycled to Total Hazardous Waste | % | 37.66 | 100.00 | 0.00 |
| Percentage of Total Waste Reused/ Recycled to Total Waste | % | 60.67 | 70.12 | 42.27 |

Waste Management Activities

The Company has established a color-coded waste bin system with 4 colors:

1. Yellow bin: For general waste
2. Green bin: For recyclable waste
3. Blue bin: For contaminated packaging containers
4. Red bin: For hazardous waste

For waste in categories 1 and 2, the Company arranges for the Industrial Estate Authority of Thailand (IEAT) to handle disposal. For waste in categories 3 and 4, the Company has hired Akkee Parkarn Co., Ltd. (Public) to transport and dispose of the waste using legal methods to ensure safe storage, transportation, and destruction. This is part of the Company's strategy to prevent harmful waste and materials from negatively impacting the environment.

Additionally, the Company explores other waste management methods, such as sending waste for use as substitute raw materials or utilizing it in other ways to reduce incineration or landfilling.

• Greenhouse Gas Management

The Company focuses on preventing and reducing the impact of its business operations on climate change by using resources efficiently and striving to reduce greenhouse gases. The Company has established a carbon footprint (Carbon Footprint) following the guidelines of the Greenhouse Gas Management Organization (Public Organization) (TGO) and the ISO 14064 standard for the verification of greenhouse gas emissions measurement and reporting.

Greenhouse gas management information

Table displaying the company's greenhouse gas emissions over the past 3 years

| Items | Unit | 2022 | 2023 | 2024 |
|----------------------------------------------------------------------------------------|----------------------|----------|----------|----------|
| Target of Total Greenhouse Gas Emission | tCO2e | 1,550.00 | 1,500.00 | 1,500.00 |
| Total Greenhouse Gas Emission | tCO2e | 1,180.70 | 1,022.13 | 1,140.54 |
| Total Greenhouse Gas Emission-Scope 1 | tCO2e | 53.89 | 44.04 | 43.19 |
| Total Greenhouse Gas Emission-Scope 2 | tCO2e | 1,025.68 | 922.47 | 1,029.74 |
| Total Greenhouse Gas Emission)-Scope 3 | tCO2e | 101.13 | 55.62 | 67.60 |
| Difference between Total Greenhouse Gas Emission compare with target | tCO2e | -369.30 | -477.87 | -359.46 |
| Percentage of the difference between Total Greenhouse Gas Emission compare with target | % | -23.83 | -31.86 | -23.96 |
| Ratio of Total Greenhouse Gas Emission per total income | tCO2e /thousand baht | 0.00 | 0.00 | 0.00 |
| Ratio of Total Greenhouse Gas Emission per Total Employee | tCO2e/person | 3.00 | 2.65 | 2.84 |

3.4 Sustainability Management in Social Dimensions

3.4.1 Social Policies and Practices

The Company is committed to conducting business with integrity and social responsibility by improving the quality of life for employees and stakeholders through tangible actions.

3.4.2 Social Environmental Performance

• Human Rights

The Company values respect for human rights and adheres to fair treatment of employees, subsidiaries, and all stakeholders without discrimination based on race, religion, nationality, gender, age, education, marital status, social status, and provides equal rights to persons with disabilities. Furthermore, the Company ensures the protection of employee human rights according to labor laws and relevant regulations in a fair and equal manner.

Table displaying the number of human rights violations in 2024

| Items | Unit | Target | 2024 |
|-------------------------|-------|--------|------|
| Human rights violations | Cases | 0 | 0 |

• Fair Treatment of Workers

The Company recognizes that employees are valuable resources and key to the organization's success. As such, the Company has policies and practices in place to treat employees fairly and equally, covering recruitment, hiring, compensation, benefits, employee development, training, performance evaluation, as well as safety and occupational health.

Employee Recruitment and Selection

The Company has policies for recruiting and selecting employees both internally and externally, based on qualifications, abilities, and experience suitable for the job position, professional field, and organizational values. The Company reviews workforce plans annually to align with business growth and direction, establishing recruitment strategies. The Company also tests knowledge and aptitude in various areas during the selection process. Furthermore, new employees receive an orientation program to help them understand the organization and be prepared for their roles.

Employment

The Company ensures that employment is fair and legally compliant by not employing child labor, migrant workers, or engaging in any form of discrimination. The Company also promotes diversity and equality within the organization.

In 2024, the Company has a total of 402 employees, with a diverse range of gender, age, job levels, and locations

Providing Employment Opportunities for People with Disabilities

The Company creates opportunities for people with disabilities to demonstrate their potential in the workforce and participate in society on an equal basis. In accordance with the Persons with Disabilities Empowerment and Quality of Life Development Act B.E. 2550 (2007), which aims to promote the quality of life for persons with disabilities, the Act includes provisions to establish measures for encouraging employment and protecting the right to work for people with disabilities.

Under the Persons with Disabilities Empowerment and Quality of Life Development Act B.E. 2550 (2007) and its amendments, employment of people with disabilities is governed by Section 33, while career development is promoted under Section 35. The law stipulates that for every 100 employees, at least one person must be employed with a disability, ensuring inclusive employment opportunities.

In 2024, the Company employed 3 persons with disabilities.

Employee Compensation and Benefits

The Company has a policy of providing fair and appropriate compensation and benefits to employees to motivate and encourage them to work efficiently. The Company sets compensation criteria in accordance with legal requirements and considers relevant factors such as knowledge, skills, educational qualifications, experience, and scope of responsibilities. Additionally, the Company establishes guidelines for appointment and promotion to ensure standardized consideration for employees who perform well and demonstrate potential for career advancement.

The Company uses market compensation and benefits survey data to review and adjust the compensation and benefits structure appropriately based on job value in each profession and employee level, ensuring competitiveness with the market. Compensation payments and annual salary adjustments will be made after a systematic performance evaluation.

Employee Benefits and Welfare

The Company provides a wide range of benefits and privileges that exceed the legal requirements, ensuring they are appropriate and competitive in the market. These include, but are not limited to, healthcare benefits, health check-ups, group life insurance for employees and their families, allowances, attendance bonuses, accommodation allowances, employee uniforms, transportation services, funeral assistance, marriage and ordination allowances, annual outstanding employee awards, and rewards for employees reaching milestones of 5, 10, 15, 20, and 25 years of service. In addition, the Company has established a provident fund and a savings cooperative to provide long-term financial security and benefits for employees.

The Company has also set up a welfare committee to allow employees to actively participate in managing employee welfare programs. This committee ensures that the welfare offerings align with the actual needs of the employees and provides an opportunity for open discussions, suggestions, and exchanges of views on employment conditions, work environment, and employee quality of life development.

In 2024, the Company have 3 Welfare Committee meetings.

Health Promotion

The Company provides health check-ups for new employees and conducts annual health screenings for all office staff, as well as employees at Branch Offices 1 and 2, in order to promote good health and well-being. Employees also receive proper medical advice and treatment from healthcare professionals. Additionally, the Company includes influenza vaccination as part of the annual health check-up program. Special health screenings are also provided based on risk factors for employees working closely with chemicals and those exposed to other risks as defined by legal and quality system requirements.

In 2024, the Company engaged Chularat 3 International Hospital to conduct health check-ups, with a budget of 434,460 Baht. A total of 240 employees volunteered to receive the Influenza vaccine, accounting for 60% of the total workforce.

Succession Plan

The Company has a policy in place to prepare its personnel to ensure the continuity of business operations and mitigate future risks in the event that key positions become vacant. The Company develops a Succession Plan and follows a process to identify and develop high-potential employees (Talent) within the organization, equipping them with the knowledge and skills that align with the company's management direction. This process aims to ensure that employees are capable of filling key positions that may become vacant due to retirement, term completion, resignation, or other reasons.

In 2024, the Company focused on the development of middle-layer employees, who represent the largest group of staff and play a crucial role in driving the organization forward. The aim is to prepare these employees for potential future leadership positions. To achieve this, the Company implemented cross-functional projects, where employees from various departments collaborate to improve and develop the organization in various aspects. These initiatives focus on enhancing internal management systems, expanding business opportunities, and fostering innovation.

Performance Evaluation

The company adheres to a performance evaluation system based on Key Performance Indicators (KPIs). Two levels of KPIs are defined: company-wide goals (Shared Company KPI) and individual objectives (Individual Task). Management sets the company's primary objectives, referencing financial indicators that can be quantitatively measured to ensure alignment toward a common goal. Employees are responsible for setting their own work goals and performance metrics, which align with the company's goals and strategies. The results of these evaluations are used to inform decisions on salary adjustments and annual bonuses.

• Promotion of Employee Relations and Engagement

The Company aims to continuously foster employee engagement with the organization. This commitment is built on three key dimensions: 1. the feelings and opinions toward the organization (Say), 2. the dedication and commitment to work (Strive), and 3. the decision to remain with the organization (Stay). The Company conducts regular employee engagement surveys, comparing results over time, to inform the development of plans and activities aimed at enhancing engagement. These initiatives include programs such as Town Hall Meetings, SWC Culture Week, and Shared Points, among others.

Table displaying employee engagement information.

| Engagement dimension | Questions | Unit | 2024 |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|------|------------|
| | | | 100 points |
| Feelings and opinions towards the organization (Say) | You would tell others about the positive aspects of working at the company whenever given the opportunity | % | 71.00 |
| | You would recommend the company to people you know who are looking for a job. | % | 64.00 |
| Commitment and dedication to work (Strive) | The company motivates you to perform your best every day. | % | 68.00 |
| | The company inspires you to achieve better results than what is considered normal. | % | 62.00 |
| Decision to remain with the organization (Stay) | Over the past year, you have never considered resigning to work elsewhere. | % | 61.00 |
| | You would think long and hard before deciding to leave the company for another job. | % | 60.00 |

Employee Development and Training

The Company places a strong emphasis on the development and training of employees to enhance their knowledge, capabilities, and skills, thereby fostering their potential to perform effectively, providing career advancement opportunities, and ensuring adaptability to business changes in a sustainable manner across technology, environment, and society. The Company implements an effective annual employee development and training plan, with courses designed to enhance both functional skills and soft skills. These programs are based on the concept of core competencies that align with the company's objectives and core values.

In 2024, the Company organized 17 in-house training courses and sent employees to attend 44 public training programs, totaling 61 courses. These training sessions covered employees at the operational, supervisory, and managerial levels.

Table displaying employee training and development data over the past 3 years

| Items | Unit | Target | | 2022 | | 2023 | | 2024 | |
|----------------------------------------------------|------|----------|---------|----------|---------|----------|---------|----------|---------|
| | | In-house | Public | In-house | Public | In-house | Public | In-house | Public |
| Average Training hour per Employee (Employee/Year) | Hour | 6 | 6 | 6.20 | 8.42 | 6.20 | 8.65 | 8.96 | 9.63 |
| Training and Development Expense | Baht | 375,000 | 451,600 | 184,470 | 252,227 | 36,182 | 384,197 | 641,170 | 975,961 |

• Establishment of the Occupational Safety, Health, and Environment Committee

The Company established a “Quality, Safety, Occupational Health, and Environment Policy” to ensure that the Company’s quality, safety, occupational health, and environmental management operate effectively and in accordance with regulation of the Occupational Safety, Health and Environment Act, the requirements of the ISO 9001:2015 quality management system standard, the ISO14001:2015 environmental management system standard, and the good manufacturing practices for hazardous substances, or GMP. The Company was certified for process safety management (PSM) in accordance with the Industrial Estate Authority of Thailand’s regulations concerning the criteria, procedures, and conditions to operate business in industrial estates

Quality, Safety, Occupational Health and Environment Policy

1. Create customer satisfaction by consistently delivering products that meet quality standards.
2. Comply with relevant laws and regulations.
3. Focus on the safety and occupational health of employees and product users.
4. Strive to safeguard, prevent, and mitigate risks associated with the Company’s activities that could have an effect on the community, the environment, and ecosystems.
5. Best use of resources and utilities.

The Company has established a Safety, Occupational Health, and Work Environment Committee to assess safety practices, review safety plans and policies, and monitor the statistics of work-related injuries or accidents that occur within the company. The committee also ensures continuous safety communication through various channels. Additionally, the Company provides training and designates employees as safety officers at various levels to carry out duties as required by law.

| Level | Sherwood Corporation (Thailand) PCL. | | |
|----------------------------------------------------------|--------------------------------------|----------|----------|
| | Head Office | Branch 1 | Branch 2 |
| Safety Officer (Supervisor Level) | 0 | 19 | 7 |
| Technical Safety Officer | 0 | 0 | 1 |
| Advanced Technical Safety Officer | 0 | 0 | 0 |
| Professional Safety Officer | 0 | 1 | 1 |
| Management Safety Officer | 0 | 12 | 0 |
| Safety Department Executive | 0 | 1 | 0 |
| Safety, Occupational Health, and Environmental Committee | 0 | 7 | 5 |

Control of Work Environment

The Company regularly measures and assesses the work environment to ensure that all employees work in conditions that are appropriate and not harmful to their health. This includes monitoring the intensity of lighting in work areas and measuring the noise levels in the workplace. Additionally, the Company provides personal protective equipment, emergency equipment, first aid kits, and emergency plans in the event of work-related injuries or accidents, tailored to the nature of the work, ensuring that the equipment is sufficient for use and easily accessible.

Accident Statistics

The Company is committed to creating a safe working process across all business operations to ensure a high quality of life, safety, and the prevention of accidents that may lead to injuries or work-related accidents (Zero Accident). This commitment prioritizes the safety of all employees at every level, as well as all stakeholders. The Company encourages employees to recognize that safety is the duty and responsibility of everyone. To this end, the Company supports the development of safety knowledge and provides safety training for all employees at every level, as required by the nature of their work and in compliance with legal regulations.

Table displaying workplace injury or accident statistics over the past 3 years.

| Item | Unit | 2022 | 2023 | 2024 |
|--------------------------------------------------------------------------------|---------|------------|------------|------------|
| Total working hour | Hours | 612,982.00 | 612,427.40 | 612,697.50 |
| Number of Work-Related Injuries or Accidents Resulting in Time Off | Times | 1 | 5 | 0 |
| Total Number of Employees Injured at Work and Unable to Work for 1 Day or More | Persons | 1 | 1 | 0 |
| Percentage of Employees Injured at Work and Unable to Work for 1 Day or More | % | 0.25 | 0.26 | 0.00 |
| Number of Employee Deaths Due to Work-Related Accidents | Persons | 0 | 0 | 0 |
| Percentage of Employee Deaths Due to Work-Related Accidents | % | 0.00 | 0.00 | 0.00 |

• Customer / Consumer Responsibility

The Company recognizes and prioritizes the importance of protecting customer personal data. This includes the storage, usage, disclosure, as well as the deletion, destruction, access, and transfer of customer data in compliance with the Personal Data Protection Act B.E. 2562. The Company ensures that customers can have confidence that their personal data will be protected and handled in accordance with the law.

Customer Relationship Management

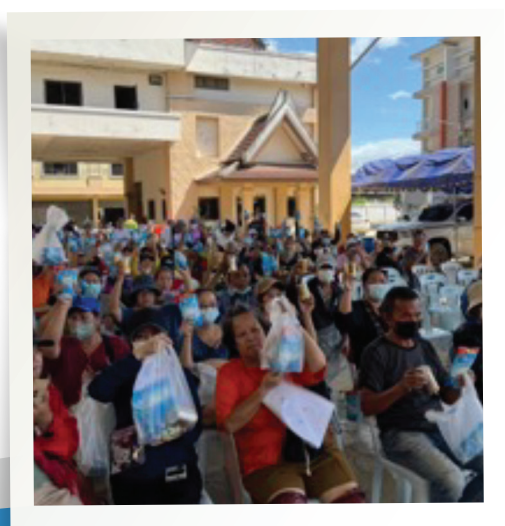
The Company focuses on providing products and services of high quality at reasonable prices. We are committed to continuously creating innovations, conducting research, and improving the quality of our products and services to ensure that customers receive maximum benefits in terms of quality, price, and safety for their health and well-being. The Company communicates and advertises accurate information about products and services through marketing channels such as product labels, product catalogs, staff product recommendations, Facebook, and the Official Line Application. These serve as valuable information to assist customers in making informed decisions. Additionally, the Company places great importance on responding to customer needs by addressing issues arising from products and services through customer complaint channels and satisfaction surveys. These inputs are used to continuously improve and enhance our offerings to ensure the highest level of customer satisfaction.

Table displaying customer satisfaction survey data, the number of complaints, and the company's ability to handle complaints over the past 3 years.

| Items | Unit | 2024 target | 2027 target | 2022 | 2023 | 2024 |
|------------------------------|-------|-------------|-------------|-------|-------|-------|
| Customer satisfaction survey | % | 85 | 95 | 87.81 | 87.58 | 90.45 |
| Complaints | Cases | 0 | 0 | 25 | 17 | 41 |
| Ability to handle complaints | % | 100 | 100 | 100 | 100 | 100 |

• Corporate Social Responsibility (CSR)

The Company prioritizes social activities alongside its business operations by organizing various events for employee participation. In 2024, the Company donated products under the brands “Chaindrite” “Teepol” “Marucho” “Hokkaido” and “Superfight” with a total value of 100,000 Baht to flood victims in Chiang Rai Province. The recipients included Mae Sai Municipality, Mae Sai Hospital, Ban Muang Daeng School in Mae Sai District, Chiang Rai, and Ban San Sai School, on September 27, 2024.



4. Management Discussion and Analysis

4.1 Overview

Sherwood Corporation (Thailand) Public Company Limited is dedicated to becoming a leading organization in the production and distribution of high-quality products that enhance consumers' quality of life on a global scale. With over 20 years of experience in Thailand, we leverage our expertise and industry knowledge to develop exceptional products that uphold the highest standards of quality. Our mission is to drive the company towards market leadership while ensuring the utmost satisfaction of all stakeholders. Over the years, we have continuously expanded our business, now operating across three key sectors: 1. Household products 2. Industrial products 3. Food & beverage products, The Company continues to drive business by focusing on sustainable growth by enhancing product value, introducing new innovations, and catering to evolving consumer trends. This strategy is complemented by strong sales management, the expansion of distribution channels, and efficient product distribution. Additionally, we differentiate ourselves through unique marketing initiatives while emphasizing high-margin product categories and cost-effective production management resulting in the performance of Sherwood Corporation (Thailand) Public Company Limited which had net profit equaled 126.58 Million Baht, or 0.24 Baht per share or a 106.93 % increase compared to the same period of 2023. However, the Company is committed to expanding and innovating across all product categories, enhancing product diversity to comprehensively meet customer needs. Our approach prioritizes customer base expansion while maintaining strong relationships with existing clients, particularly in the household and industrial chemical products and food and beverage products. Moreover, the Company continue to optimize production processes, cost management, and operational efficiency to drive strong and sustainable growth for the future.

4.2 Results of Operations

1. Sales Revenue

In 2024, the Company's total sales revenue was 1,685.47 Million Baht, decreased by 24.22 Million Baht or a 1.42 % decrease compared to the same period of 2023. This resulted mainly from the Company discontinued the selling of loss-making products in the food and beverage business, leading to a decline in revenue.

The revenue from domestic sales for the household and industrial chemical products, that is similar to the year 2023 due to sales revenue in traditional trade channel growth as a result of the Company has increased the selling price and continuously increased sales promotion activities based on the market price and competitors' sales promotion in the same industry. Sales revenue in the crops science channel grew from the strengthening of distribution network and promotional activities, along with the new products to the market. Sales revenue in public sector channel grew from the government sector auctions. Although sales revenue in the modern trade channel has decreased due to the competitors continuing to carry out promotional activities by lowering prices. However, the Company has continued to operate with a strategic focus on developing products across all categories to meet consumer demands effectively and emphasized ongoing promotional and marketing activities tailored to each product group. Sales revenue in the industrial channel has decreased due to a sluggish real estate market. For food and beverage business, the sales revenue decreased from the Company discontinued the selling of loss-making products in the food and beverage business, leading to a sales revenue decreased in some SKU of peanut product under "Marucho" trademark and beverage products under "SuperFight" trademark. whereas sales revenue for the dairy business under the "Hokkaido" brand had growth driven by the new products, along with the expansion of distribution channels to reach more consumers. The sales revenue categorized by business categories are as follows: The household business had sales revenue of 1,175.39 Million Baht or 69.58% of the total sales revenue which was decreased of 0.72% compared to 2023. The industrial business had sales revenue of 388.07 Million Baht or 22.97% of the total sales revenue which was increased of 6.78% compared to 2023. The food and beverage business had sales revenue

of 122.01 Million Baht or 7.22% of the total sales revenue which decreased of 24.84% compared to 2023. The sales revenue categorized by product group are as follows: The wood preservative products had sales revenue of 115.27 Million Baht or 6.82% of the total sales revenue. The sales revenue from insecticide products amounted to 1,039.23 Million Baht or 61.52% of the total sales revenue. The sales revenue from cleaning products was 241.50 Million Baht or 14.30% of the total sales revenue. The sales revenue from other product groups equaled 167.45 Million Baht or 9.91% of the total sales revenue. The sales revenue from peanut products amounted to 68.09 Million Baht or accounted for 4.03% of the total sales revenue. The sales revenue from beverage products amounted to 11.17 Million Baht or 0.66% of the total sales revenue. The sales revenue from dairy products amounted to 42.67 Million Baht or 2.53% of the total sales. The Company's proportion of sales revenue categorized by distribution channels are as follows: The modern trade channel accounted for 29.05% of the total sales. Traditional trade channel accounted for 43.77 of total sales revenue from the increasing promotional activities to boost sales. Industrial channels accounted for 15.26% of total sales revenue. Export channels accounted for 10.55% of total sales revenue from additional promotion and market expansion. Online channels accounted for 0.42% of total sales revenue from the distribution expansion through online platforms to support consumer behavior.

2. Other Revenue

The Company had other revenue of 3.79 Million Baht or 0.22% of the total sales revenue which was from the packaging and scrap material sales and the profit from asset sales.

3. Costs, Selling and Administrative Expenses

In 2024, the Company's cost of sales ratio was 59.01% of the total sales revenue, decreased from the cost of sales ratio in 2023 which was 64.34% of the total sales revenue resulting from the Company has increased the selling price and revised sales promotion activities based on the market price and competitors' sales promotion in the same industry. Additionally, the Company focused on selling of high-margin products and has more efficiently to manage production costs. The Company's main cost of sales was the cost of raw materials and packaging, which accounted for 82.95% of the total cost of sales. Other costs of sales included labor costs, depreciation, and premium gift for sales promotional activities etc. The highest raw material costs were packaging followed by active technical materials and solvent raw materials. In 2024, these 3 types of raw materials accounted for 42.67%, 22.34% and 17.94% of the total costs of raw materials, respectively. The decrease in cost of sales resulted in the increase in gross profit margin from 35.66% in 2023 to 40.99% in 2024.

The Company's selling and distribution expenses in 2024 equal to 362.49 Million Baht, decreased by 3.65 Million Baht or 1.00% decrease compared to the same period of 2023. This resulted from the control of expenses and revised advertising plan to align with marketing and promotional activities and focusing on targeted promotions that effectively reach the intended consumers in each distribution channel. The administrative expenses in 2024 were 151.97 Million Baht, an increase of 8.76 Million Baht or 6.12% increase compared to the same period in 2023 resulting from consultancy fees and accounting adjustments. During this year ended December 31, 2024, the Company recorded a full allowance for impairment loss on its investments in Lottofood (Thailand) Co., Ltd. ("the subsidiary"), totaling THB 6.99 million. The Company also considered indicators of impairment on investments in Hokkaido Food and Beverage Company Limited ("the subsidiary") and then setting up allowance for impairment on investments in subsidiary amounting for THB 50 million and allowance for impairment of loans to subsidiary as mentioned of THB 109 million. These impairments, a non-cash item, amounted to THB 166 million. Despite this impairment, the Company's overall business remains financially strong, with low debt levels. Moreover, the Company continues to be committed to improving profitability and enhancing profit margins across all business segments.

4. Profit

The total net profit of the Company in 2024 was 126.58 Million Baht, an increase of 65.41 Million Baht or 106.93% compared to 2023 which had net profit of 61.17 Million Baht or net profit margin of 7.51% and 3.58% of the sales revenue respectively.

5. Return on Equity

In 2024, the return on equity increased from 8.40% to 17.16% due to the increase in net profit attributable to shareholders of the Company.

Previously, the Company determined a clear dividend payment policy at the rate of no less than 40% of the net profit, along with consideration of the operating results and cash flows in each period. The operating results between 2022 - 2024 and the company's dividend payment details are as follows:

| Performance Year | Profit | Dividend | Payout Rate |
|------------------|--------------------|--------------------|-------------|
| | (millions of Baht) | (millions of Baht) | |
| 2022 | 17.26 | 169.98 | 984.86% |
| 2023 | 55.88 | 25.19 | 45.08% |
| 2024 | 119.38 | 62.34 | 52.22% |
| Average | 64.17 | 85.84 | 133.76% |

The dividend payment from the operating results for 2022 was divided into 2 dividend payments. The first dividend payment for the first 6 months of the operating results was 56.63 Million Baht and the second dividend payment for the last 6 months of the operating results was 113.35 Million Baht. The dividend payment from the operating results for 2023 paid in stock dividends and cash dividends as follows : The Company paid the stock dividends by issuing up to 45,339,296 newly issued ordinary shares, with a par value of 0.50 Baht per share, to the Company's shareholders, at the ratio of every 10 existing shares for 1 stock dividend, in the total amount of 22.67 Million Baht, or equivalent to the cash dividends at the rate of 0.05 baht per share paid cash dividends at the rate of 0.005555556 Baht per share or in the total amount of 2.52 Million Baht. The dividend payment from the operating results for 2024 between January 1 to December 31, 2024, will be paid in cash dividends at the rate of 0.125 Baht per share or in the total amount of 62.34 Million Baht.

4.3 Asset Management Ability

1. Assets

As of December 31, 2024, the company had total assets of 1,133.22 Million Baht. decreased of 12.24 Million Baht or 1.07% compared to the same period of 2023 which included (1) the current assets in the amount of 769.22 Million Baht, which accounted for 67.88% of the total assets and (2) non-current assets in the amount of 364.01 Million Baht, which accounted for 32.12% of the total assets.

The current assets increased by 31.39 Million Baht or increased of 4.25% due to an increase in cash and cash equivalents of 121.49 Million Baht or 37.21% from decreasing in trade and other receivables for 30.21 Million Baht or 16.45% compared to the same period of 2023 and decrease in inventory 59.68 Million Baht or 28.74. Non-current assets decreased by 43.63 Million Baht or 10.70% compared to the same period of 2023 resulting from property, plant and equipment and right of use assets.

2. Liabilities and Shareholders' Equity

As of December 31, 2024, The Company had liabilities of 357.68 Million Baht, decreases of 125.48 Million Baht or 25.97% compared to the same period of 2023. The Company's current liabilities were 307.22 Million Baht, decreases of 118.25 Million Baht compared to the same period of 2023 resulting from the decrease in short-term loans from financial institutions. The Company had non-current liabilities of 50.46 Million Baht, decrease of 7.23

Million Baht when compared to the same period of 2023 due to lease liabilities, net of current portion decreased. As of December 31, 2024, the Company's shareholder's equity was 775.55 Million Baht, an increase of 113.24 Million Baht or 17.10% compared to the same period of 2023 as a result of the forwarded shareholders' equity of 638.64 Million Baht combined with total comprehensive income for the year of 116.81 Million Baht deducting dividend payment amount 2.52 Million Baht remaining shareholder's equity of the company amounted to 752.93 Million Baht.

3. Liquidity and Cash Flow

The Company's net cash flows from operating activities amounted to 304.54 Million Baht, increases of 105.13 Million Baht or 52.72% compared to the same period of 2023. This consisted of profit from operating activities before changes in operating assets and liabilities of 254.24 Million Baht. Operating assets decreased by 76.15 Million Baht and operating liabilities increased by 23.74 Million Baht. Cash flows from investing activities was 9.38 Million Baht and net cash flows used in financing activities was 168.68 Million Baht. This was due to a decrease in short-term loans from financial institutions, payment of lease liabilities and dividend payment. The Company's cash and cash equivalents at the beginning of year were equal to 326.48 Million Baht. This resulted in the company's cash and cash equivalents at end of December 31, 2024, of 447.97 Million Baht.

In 2024, the company's liquidity ratio was 2.50x an increase from 1.73x in 2023. This was since a decrease in short-term loans from financial institutions. The quick liquidity ratio increased from 1.20x to 1.96x. from an increase in cash and cash equivalents.

4. Funding Sources

The Company has a policy to manage the financial structure to be suitable for the nature of the capital. For example, the Company will use long-term funding sources for investment expenses in project expansions, and the Company will use short-term funding sources for working capital.

The Company's assets derived from liabilities and shareholders' equity was 31.56% and 68.44%, respectively. Total liabilities decreased due to the payment of short-term loans from financial institutions as a result, the debt-to-equity ratio decreased from 0.73 times to 0.46 times.

Shareholders' equity increased from 662.30 Million Baht to 775.55 Million Baht, increased of 113.24 Million Baht or 17.10% compared to the same period of 2023 as a result of the forwarded shareholders' equity 638.64 Million Baht combined with total comprehensive income for the year of 116.81 Million Baht deducting dividend payment amount 2.52 Million Baht remaining shareholder's equity of the company amounted to 752.93 Million Baht.

4.4 Major Factors and Influences on Future Operations or Financial Position

Business operations in the current economic landscape, Thailand is gradually recovering, driven by strong domestic demand, a resurgence in tourism, and increased government spending, including initiatives such as the digital wallet project. The country's monetary policy remains aligned with this economic recovery, fostering steady yet gradual growth throughout 2024. However, external uncertainties persist, including escalating geopolitical tensions that could impact global energy prices, supply chains, and overall economic growth. In addition, Thailand is likely to face factors that hold back expansion in all areas. while economic stimulus measures contribute to growth, challenges remain, such as persistently high household debt and sustainability concerns, including Thailand experiencing environmental fluctuations in both weather and water situations. That affects the agricultural production sector. It also affects the purchasing power of consumers and influence employment rates. Economic and social changes have affected business and industry. It also brings uncertainty and affects the business environment. Therefore, the Company gives importance to both external and internal factors within the organization. That may affect the operating results and financial position in the future. The company has researched and studied the views of consumers and has established both short-term and long-term strategic plans that are comprehensive and able to respond to consumers' expectations in their lifestyles both now and in the future. Future. The main factors and influences that may affect operations or financial status in the future. The details are as follows:

1. Product Development

Product development and a variety of products has always been one of the primary keys that drive the Company's success. Most entrepreneurs need to innovative product development and introduce new products to the market constantly, even if it is an original product in order to boost sales after the products have become popular in the market. The Company seeks to increase the number of products to offer to consumers, whether increasing the packaging size of existing products and developing new products by making the most of the benefits from the inventory of raw materials and the packaging in order to reduce the risk of dead stocks or slowing moving inventory if new products do not succeed as expected. However, continuous product development and innovation development will help to meet existing demand and increase distribution to cover more retail stores to further increase sales opportunities for the Company.

2. Business Expansion for Risk Diversification

Insecticide products under the "Chaindrite" brand is the main product of revenue of the Company. The reliance on the primary revenue that comes from the insecticide product group may cause a negative impact on the Company's performance if insecticide products are no longer popular with consumers due to changing technology or consumer behavior. Therefore, the Company expanded a more comprehensive business to cleaning products under the "Teepol" brand. The Company also expanded the food and beverage product business by manufacturing and distributing roasted and salted peanut products under the "Marucho" brand, as well as milk products under the "HOKKAIDO" brand to mitigate risk and help expand the business in other industries as well.

3. Distribution Channel Development

The Company appointed distributors to cover the country's 77 provinces. As a result, the Company's overall distribution channels were more efficient, particularly in regions supported by dealers who are familiar with and knowledgeable about each area. As a result, this was a significant force to drive the Company's sales revenue. In order to increase sales, the Company also expanded its distribution to the agrochemical market and export market by using its knowledge and expertise in chemical insecticides and pesticides, as well as the existing products as a foundation for market penetration. The Company increased the recruitment of personnel with expertise in that product markets and expanded sales channels through online platforms such as social media, the Company's Facebook page, and marketplaces such as Shopee and Lazada in order to accommodate consumers who purchase products online. Aside from Thailand, the Company expanded international distribution channels and sold products overseas. In 2009, the Company invested in the establishment of an Australian subsidiary in order to promote and expand an exporting channel to Australia and New Zealand. This included the establishment of a new department to export products to ASEAN countries, as well as the recruitment of personnel with ASEAN market expertise. The Company markets to international markets by establishing relationships with local distributors in order to increase product availability. The Company established policies and strategies and distributors adapted them to the cultural conditions of each location. This increases future export sales in accordance with the business expansion strategy. Currently, there is a policy to divide locations and increase the number of dealers in order to drive an in-depth distribution more efficiently. The Company appointed distributors for food and beverage business to expand and cover more stores nationwide and the products are brought to be sold in supermarkets and convenience stores to increase distribution channels toward customers.

4. Competitive Environment

Initially, the Company operated in the chemical industry for consumer products before expanding business into food and beverage products. Each industry group faces fierce competition, whether it is the insecticide spray market or the cleaning products market. This also includes the food and beverage market and Economic fluctuations in recent years have led consumers to become more selective, seeking the best value for their money through the most cost-effective distribution channels. As a result, the Company organized promotional campaigns for household chemical products and food and beverage products that were distributed in department stores and leading stores across the country. The Company considered purchasing power of consumers and target consumers, as well as the price of substitute products or competitor's products, primarily for competition and increased sales levels, which have a reasonable impact on the Company's operations. As a result, the Company intended to reduce its risk by entering new markets and releasing new products into the market by leveraging the advantages of well-known brands for each product. Each product's brand success is a result of appropriate marketing elements. That is, the price corresponds to the quality. A budget is allocated for advertising media and promotions in order to instill confidence in the products, inspire loyalty in their use, and quickly establish a distribution network that covers stores.

4.5 Key Financial Ratios

| Financial Ratios | Unit | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2022 |
|----------------------------|------|-------------|-------------|-------------|
| Current Ratio | X | 2.50 | 1.73 | 1.75 |
| Quick Ratio | X | 1.96 | 1.20 | 1.14 |
| Total Asset Turnover Ratio | X | 1.48 | 1.41 | 1.36 |
| Inventory Turnover Ratio | X | 5.59 | 4.58 | 4.37 |
| Average Collection Period | days | 36.50 | 46.65 | 60.60 |
| Average Payment Period | days | 89.01 | 88.59 | 103.56 |
| Gross Profit Margin | % | 40.99 | 35.66 | 33.43 |
| Operating Profit Margin | % | 10.72 | 6.08 | 3.33 |
| Net Profit Margin | % | 7.08 | 3.27 | 1.02 |
| Return on Assets | % | 15.86 | 8.60 | 4.53 |
| Return on Equity | % | 17.16 | 8.40 | 2.49 |
| Debt to Equity Ratio | X | 0.46 | 0.73 | 0.77 |
| Time Interest Earned Ratio | X | 66.82 | 15.75 | 29.07 |

5. General Information and Other Related Information

5.1 General Information

| | | |
|--------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name | : | Sherwood Corporation (Thailand) Public Company Limited |
| Type of Business | : | Manufacturing and distributing of Consumer Non-Food, Industrial and Consumer Food and Beverage |
| Head office | : | 1065 Srinakarin Road, Suan Luang, Suan Luang, Bangkok 10250 |
| Branch 1 | : | Wellgrow Industrial Estate Km.36 Bangna-Trad 90/1 Moo 9, Bang Wua, Bang Pakong, Chachoengsao 24180 (Manufacturer of wood preservative products, insect prevention and control products and other products) |
| Branch 2 | : | Wellgrow Industrial Estate Km.36 Bangna-Trad 109 Moo 9, Bang Wua, Bang Pakong, Chachoengsao 24180 (Manufacturer of cleaning products) |
| Company Registration No. | : | 0107547000346 |
| Company Website | : | www.sherwood.co.th |
| Telephone Number | : | 0-2320-2288 |
| Share Capital | : | 257,669,648 Baht Registered capitals, 249,366,090 Baht Paid-up capitals, 498,732,180 ordinary shares with a par value of 0.50 Baht per share. |

5.2 Legal Disputes

As of December 31, 2024, the Company and its subsidiaries have no pending legal dispute that may have an impact on the assets of the Company higher than 5% of the shareholders' equity. And there are no conflicts that affect to the business operation of the Company.

6. Corporate Governance Policy

The Company committed to conducting business under the principles of good corporate governance in order to have a standardized management system, taking into account the highest benefits for shareholders and all stakeholders with morality and ethics in conducting business in a transparent and verifiable manner.

6.1 Overview of Corporate Governance Policy and Practices

The Company realizes the importance of the Good Corporate Governance, which was established by the Securities and Exchange Commission (SEC) through means that are suitable to the company's business. The Company trains all staffs to be consciously aware of business ethic in treating customer, trading partners, competitors, society, colleagues with virtue, transparent, as role model, social responsibility, honesty, equality, right; and right of staffs, Directors, shareholders, trading partners until it turns into the Company organization's cultural strength. In addition, the Good Corporate Governance Policy and Code of conduct were publicized on Company's website (www.sherwood.co.th) to stakeholders can access it.

Corporate governance practices are as follows:

1. Rights and Equitable Treatment of Shareholders

The Company's Board of Directors is aware of ownership right in controlling the company through appointment of the Board of Directors to act on behalf of shareholders and maintains the right to decide on the major change of the Company's Board of Directors. Therefore, it seeks to support the shareholders to exercise their rights as bestowed upon by the stipulated basic shareholders' right which are the right to buy, sell, or transfer stocks, sharing profit, receipt of adequate information regarding the business, and the shareholders should learn about the rule and procedure in attending the shareholders' meeting and permitting adequate information for consideration before the meeting. This also includes the opportunity to query the directors during the meeting. The Company's Board of Directors is aware and put the emphasis on the importance of shareholders' right. It seeks not to infringe upon or evict the shareholders' right.

2. Role of Stakeholders

The Company has placed the importance to the rights of all stakeholders in providing clear and fair guidelines for all groups of stakeholders in the code of conduct. The Company's executives and employees have acknowledged and strictly respected the criteria which covers key practices based on scope of responsibility of all involved persons and on fairness. The Company carefully considered the stakeholders' legal rights to ensure all stakeholders were treated equally and fairly. The Company's treatment on its stakeholders were as follows:

- Shareholders
- Employees
- Partners / Suppliers
- Competitors
- The public sector or Government
- Communities and Society
- Environment



3. Disclosure and Transparency

The Company recognizes the importance of information disclosure because it greatly affects decision-making of investors and stakeholders. The Company's Information was disclosed via the SET Portal of the Stock Exchange of Thailand and Company's website shall be complete, accurate, and timely manner both financial or non-financial whether positive or negative.

The Company has assigned the "Investor Relations Department" to communicate and provide information and news on the Company's activities to shareholders, analysts, and general public. Investors could contact the department at Tel. 0-2320-2288 or via e-mail address: ir@sherwood.co.th

Moreover, The Company has whistleblowing and whistleblower protection measures in the Code of conduct. The company provided a channel for the employees and stakeholders to report whistleblowing or complaint:

- Sending through their complaint in the suggestion box at the office and factory
- Sending through their complaint via E-mail: internalaudit@sherwood.co.th or companysecretary@sherwood.co.th
- Sending through their complaint via post to Internal Audit or Company Secretary
Sherwood Corporation (Thailand) Public Company Limited
1065 Srinakarin Rd., Suanluang Suanluang Bangkok 10250

If the company secretary receives the whistleblowing, He/she will directly report to the Board of Directors.

The Board of Directors is also responsible for the financial statements of the Company and financial information appearing in the annual report. The financial statements here in the annual report are prepared according to generally accepted accounting principles in Thailand, using the accounting policy that is suitable as practice regularly and with careful discretion together with the best projections in the preparations, including disclosure of the important data adequately in the added notice section supplementing the financial statements.

4. Prevention of conflicts of interest and utilization of Internal Information

The Company determined preventive measures to tackle the use of inside information to benefit Directors and executives by announcing to all parties concerned to be aware of role and duty to report the status of security holding of each individual and spouse, children who holds security whose ages are not considered sui juris and acknowledge the change in security prepared report for each time there is buy, sell, transfer, or receive of security to the Security Exchange Commission according to the Article 59 of Security Exchange Commission Act (B.E. 2535) within 3 days after the date of purchase, sell, transfer, or receive the transfer of security. The Company always alert in the meeting of Board of Directors. Moreover, the Directors and management also acknowledge the duty and responsibility as stipulated and penalty as stated in Security Exchange Commission Act (B.E.2535), and the Company prohibited the management who know the inside information of the Company to not violating article 241 of the already-mentioned law, including the related regulation.

To prevent conflict of interest, the Board of Directors carefully supervised when there is item that may result in conflict of interest, the Company seeks to stipulate the policy and procedure of related item approval in written form, including the policy and method of supervision so that the management and related persons will not use inside information to their own benefits.

The Company has the policy of the conflicts of interest, confidentiality, inside information and protection of property. This also includes exposure of financial document or other related documents for outsider, and also prohibits the trading activity within 1 month prior to public release of financial information. If done so, the act can be considered "misconduct" to the Company's rule of conducts.

5. Anti-corruption

The Company conducts business with adherence to ethics, anti-corruption and responsibility for all concerned parties. Therefore, the Company has policy for anti-corruption and published to directors, management and employees for practice guidelines. The Company recognizes the importance of the anti-corruption policy.

6. Code of Conduct

The Company has prepared the Code of Conduct for employees to achieve operations.

7. Internal control and risk management system

The Board of Directors appreciates the importance of the control system in the operation, the finance and the governance. The authority to give approvals is assigned to staff of different levels, with an internal audit unit in place to monitor the functioning of this system. The Company has been serviced by Kandil Advisory Co.,Ltd, who is an internal audit unit of the Company, to audit and control operating system of the Company. This internal audit unit is independent in its tasks and with absolute check and balance capability. The internal audit unit is required by the Board of Directors to report directly to the Audit Committee and the Chief Executive Officer. The Audit Committee is in charge of ensuring the suitability and the efficiency of the internal control system. Measures are in place to mitigate risks and these are reviewed regularly, based on warning signs and significant anomalies.

In summary, the Audit Committee and the Board of Directors agreed that the internal control system of the company is suitable and sufficient.

8. Responsibilities of the Board

The Company's article of association has stated that the Company shall have one board of directors, composing of at least 5 persons. The directors, among themselves, shall appoint the chairman of the directors and may appoint the deputy chairman of the directors, the Chief Executive Officer, and other positions deemed appropriate. Moreover, more than half of the directors must be a residence of Thailand.

The Committee selects directors from qualified, visionary and ethical individuals of different professions. Duties and responsibilities of all committees are clearly defined by the Board of Directors. The Chief Executive Officer, in the capacity of the head of the management, is appointed by the Board of Directors to oversee the conduct of business and the operation of the company in order to achieve the goals set and in accordance with the policies established by the Board of Directors.

Selection of Board of Directors

The Board of Directors ensures that the selection of Company Directors is a transparent and clear process. The Nomination and Remuneration Committee has been assigned the duty of selecting directors to replace those whose terms have expired or to fill vacant positions for other reasons and propose to the Board of Directors for approval, and then present to the shareholder meeting to vote on the appointment. The Company's Board of Directors / Nomination and Remuneration Committee is responsible for reviewing diversity in the structure, appropriate composition of the board of directors, and set criteria for selecting individuals with diverse qualifications in terms of skills, experience, abilities, and specific characteristics, as well as gender and age, necessary to achieve the Company's objectives and goals. The Company prepares a table of directors' knowledge and expertise (Skills Matrix) to determine appropriate director qualifications. In the case where an existing director is nominated, the past participation and past performance of such director must be taken into account as well in order to get directors with appropriate qualifications which is beneficial to the Company

The appointment of the Company's Board of Directors

The Company has Nomination and Remuneration committee in the appointment of the Board of Directors. However, the shareholder's meeting will appoint the Board of Directors under the following criteria and methods:

1. Each shareholder shall have a number of votes equaling the number of shares he holds. One share equals one vote.
2. Each shareholder shall vote for one candidate at a time.
3. After the vote, the candidates shall be ranked in descending order from the highest number of votes received to the lowest and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceed, the chairman or the meeting shall make the final decision.

The dismissal of directors

1. At every annual ordinary meeting, one third of the directors shall retire from office. If the number of directors cannot be divided into exactly three parts, they shall retire by the number nearest to one third, The directors who retire from the position may choose to take the position again.

2. Aside from retirement upon due time, the directors may be retired from office upon (1) death (2) resign (3) lack of qualification or possess any characteristic prohibited by the law governing public Company limited (4) the resolution of the shareholders' meeting to resign (5) court order to resign.

3. Any director with an intention to resign should file a resignation letter to the Company. The resign is effective since the date of filing the resignation letter. The resigned director should inform the Registrar for acknowledgement.

4. In case of vacancy in the Board of Directors for reason other than the retirement by rotation, the Board of Director may elect a person who has the qualifications and possesses no prohibited characteristics prescribed by the law governing public company as the substitute director at the next board meeting, by a vote of not less than three quarters of the number of directors remaining, unless the remaining term of office of the said director is less than two months. The substitute director shall hold office only for the remaining term of office of the director he replaces.

5. The shareholders' meeting may pass a resolution removing any director from office prior to retirement by rotation, by a vote of not less than three quarters of the number of shareholders attending the meeting who have the right to vote and have shares totaling not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.

Directorial term

Directors serve the term specified under the Company regulation. They may be re-elected upon the completion of a term. For independent directors, they can serve as directors for no more than 9 consecutive years for independence in giving their opinions and performing their duties as independent directors of the Company. In this regard, company directors should serve as directors of not more than 5 companies listed on the Stock Exchange of Thailand.

For the Chief Executive Officer/Managing Director, he may hold directorship positions at other companies but must receive approval from the Board of Directors first.

The Board of Directors' Meetings

The Board of Directors places great significance on its meetings, and meeting attendance is regarded as a principal duty for each director, so that the company's important matters can be decided upon. The Company usually pre-determines the dates and times of its quarterly meetings throughout the year. The Company's Secretary sends out invitations to the meeting along with the agendas, the minutes of the previous meeting and relevant documents to the directors 7 days prior to the meeting for an appropriate consideration. Every year the Board of Directors reviews and approves the Mission, Vision, Core Values, the annual business plan and budget to guideline management for the next year.

At the end of each meeting, the Company's Secretary is responsible for preparing the meeting minutes, and having them endorsed by the Chairman of Board of Directors. The minutes are presented to assembly for certification as the first agenda of the following meeting. Directors can give opinions and request amendments as necessary.

Certified meeting minutes are systematically kept at the office of the company in electronic form, together with documents supporting each agenda for ease of reference.

Sub-committee

The Board of Directors has appointed sub-committees to responsibilities for screening and reviewing other particular matters. The detail is as follow:

- The Audit Committee
- The Risk Committee
- The Executive Committee

Company's Secretary

The Company appointed the qualified person to take the duty of the Company's Secretary in order to ensure efficient compliance with the good corporate governance principle.

The duties of this position are as follows:

1. To arrange and collecting document are as follows:

(A) Directors Register

(B) Notice of the Meeting of Directors, Resolution of the Board of Directors' Meeting and Annual Report

(C) Notice of the General Meeting of Shareholder and Minutes of the General Meeting Shareholders

2. To keep the report of conflict of interest and re-inform when it changes
3. To perform other duties as required by the Capital Market Supervisory Board
4. To perform other duties as assigned by the Board of Director

Combination or separation of positions

The Company has made this a policy that the Chairman of the Board of Directors shall not be the same individual who positions as the Chief Executive Officer, to ensure the check and balance and, so, made reviewing of work more transparent. The Chairman takes the lead in defining company policy under the strategies jointly considered and established by the Board and the management and ensures that the Board meetings are successfully conducted. In each meeting, all directors are urged to actively participate, as well as raising essential questions. Directors also occasionally meet to advice and support the business management with the Chief Executive Officer. At the same time, the Board is to stay away from routine day-to-day operations or business activities responsible by management, where the chief executive officer is the head of the management team. The Board of Directors has authorized the chief executive officer or the authorized person to sign in binding document as has been directly authorized. Chief Executive Officer then effectively authorizes and empowers the high executives the tasks which are clearly marked in term of line of duty and responsibility. Therefore, the authority and role of the Board and that of the management are clearly defined and separated.

Development programs for Company's directors and executives

The Company places great importance on helpful seminars and training programs that will help directors and executives to perform better in their positions. Selected company personnel attended the Director Accreditation Program (DAP) and the Director Certification Program (DCP) by the Thai Institute of Directors (IOD), as well as other mini courses which contribute to their performance of directorial duties. We will continue to enroll our directors in future IOD courses.

Evaluation of the Board of Directors

The Board of Directors made the performance evaluation for reviewing performance, as well as issues and obstacles facing in the past year. It also helps increase the operational effectiveness of the Board. Moreover, the evaluation of the Chief Executive Officer is considered by The Board of Directors and the evaluation is related to annual performance and plan of the Company. The performance appraisal outcome, dictating the pay rise for the Chief Executive Officer, is presented to the Board for further approval.

Remuneration of Company's directors and executives

• Remuneration of Company's directors

The amount of remuneration is determined by the committee in accordance with the procedure established which bases upon the performance of the Company and compares with other companies in the same industries and proposed to shareholder meetings for their approval. Remuneration is paid in the form of meeting allowance per attendance of each director and monthly remuneration. Directors who are of a subcommittee are also compensated for their duty as a member of subcommittee in the form of meeting allowance per attendance.

• Remuneration of Company's executives

Company executives are remunerated according to company policy and based on the company performance and their individual performance.

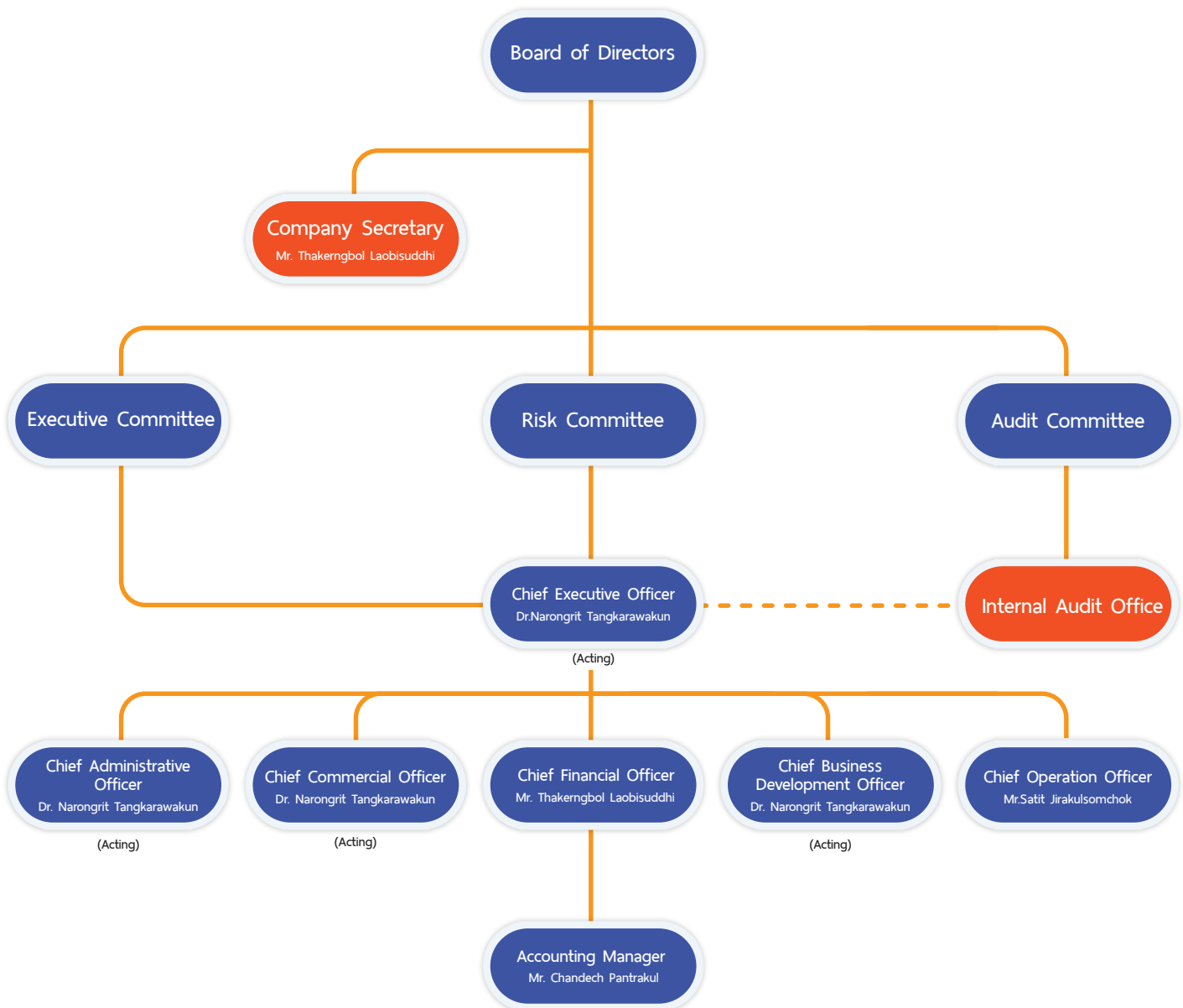
6.2 Changes and Significant Developments of Policies, Practices, and Corporate Governance Systems in 2024

- The board of directors reviews and evaluates the company's strategy, business plan, and budget to ensure that management and employees work towards the same goals for the maximum benefit of the company and shareholders. Management is required to monitor and report the company's performance and financial results to the board of directors on a quarterly basis, so the board can stay informed of progress and provide feedback.

- The board of directors evaluates, monitors, and provides feedback on actual performance compared to the established targets, while also considering the impact of the economic environment, market conditions, and competition changes in different situations and time periods. Management is required to report progress to the board of directors regularly every quarter.

7. Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others

7.1 Corporate Governance Structure





Mr. Somchai Sawasdeepon

Chairman of the Board Directors
and Independent Director



Mr. Phillip Chayarak

Director and Independent
Director



Mr. Jatsada Awasakul

Director and Independent
Director



Dr. Somchai Laohverapanich

Director



Mr. Thakerngbol Laobisuddhi

Director



Mr. Narin Trisukosol

Director



Dr. Narongrit Tangkarawakun

Director and Acting Chief
Executive Officer

7.2 The Board of Directors

7.2.1 The Board Composition

The Board of Directors consists of business professionals with experience skill and proven expertise from various fields. They understand what their responsibilities are as company directors and what the nature of the company's business. The Board of Directors had assigned company's vision, mission, Corporate Governance policy, code of conduct, employee manual. They are free to voice opinions and approve matters for the best interest of the company.

Presently, the Board of Directors comprises of 7 directors: 5 non-executive directors who are 4 independent directors

The Company has 3 independent directors which are complied with the criteria of the Securities and Exchange Commission that determine independent director must be a minimum one-third of the Board of Directors.

- Independent Directors
(3 persons)

42.86
%

- Non-executive Directors
(4 persons)

57.14
%

- Female Directors
(0 person)

0
%

- Average Tenure = 2 years 7 mouths

- Less than 55 Years Old
(2 persons)

28.57
%

- 55 – 65 Years Old
(3 persons)

42.86
%

- More than 65 Years Old
(2 persons)

28.57
%

7.2.2 The Board Information and the Authorized Director

The names of the Board of Directors (As of December 31, 2024) are as follow:

| Name | Position |
|--------------------------------|--------------------------------------------------------------------------------------------|
| 1. Mr. Somchai Sawasdeepon | Chairman of the Board Directors Chairman of the Audit Committee Independent Director |
| 2. Mr. Phillip Chayarak | Member of the Audit Committee Independent Director |
| 3. Mr. Jatsada Awasakul | Member of the Audit Committee Independent Director |
| 4. Dr. Somchai Laohverapanich | Director |
| 5. Dr. Narongrit Tangkarawakun | Director Acting Chief Executive Officer |
| 6. Mr. Thakerngbol Laobisuddhi | Director Chief Financial Officer |
| 7. Mr. Narin Trisukosol | Director International Sales Director |

Remark Mr. Thakerngbol Laobisuddhi is the Secretary to the Board of Directors

The Authorised Signatory

The authorised signatory comprises of Mr. Thakerngbol Laobisuddhi and Dr. Narongrit Tangkarawakun jointly sign with the company's seal.

7.2.3 Roles, Duties and Responsibilities of the Board of Directors

Authority and Responsibilities of the Board of Directors

- To perform duties within the scope of the law, objectives, and company regulations, together with Board and shareholders' resolutions with duty of loyalty, duty of care, accountability, and ethics with due regard for the equitable interests of all shareholders.
- To define the Company's vision, strategies, business plans, and budgets annually and monitor the Company's performance in various aspects constantly to ensure goal achievement and timely handling of obstacles.
- To define and review the corporate governance policy and anti-corruption policy on basis.
- To ensure that the Company has a suitable and efficient internal control system compliance with the acceptable standard and disclose internal control report in the annual report.
- To define a risk management policy and a suitable risk management framework and monitor the efficiency of risk management periodically as well as disclose the risk management system in the annual report.
- To appoint committees, with authority to appoint their chairmen of the Sub-Committee if needed, to support its performance as necessary and as seen appropriate, with regular monitoring of such committees.
- To oversee innovations and technologies to key resource allocation to supplement sustainable value to the stakeholders. Oversee and promote the use of innovation and technology for resources allocation in order to create sustainable value to the business and create benefits for all stakeholders.
- To oversee and monitor IT management & development and IT security system. Oversee and monitor the management and development of Information Technology and its security measure in accordance with the current IT risk.
- To ensure the preparation and disclosure of financial statements with an accurate and timely and in compliance with the relevant regulations and practices.

- Establish criteria and procedures for nomination of directors and Chief Executive Officer that are transparent and determining remuneration and performance evaluation annually as well as monitoring the succession plan for directors and Chief Executive Officer.
- To arrange business operation in accordance with the good corporate governance principle and encourage communication for acknowledgement to all staffs.
- To define an authority and responsibilities of the Chairman of the Board of Directors and Chief Executive Officer clearly
- The Board of Directors may appoint Chief Executive Officer or any person to conduct the Company's business under supervision of the Board or may delegate authority to that person as it deems appropriate and within an appropriate timeframe. The Board may revoke or alter that authority. However, the delegation of authority from the Board to the appointed person(s) will exclude the power to approve any related transactions or any transactions that may have conflict of interests.
- To oversee a structure and composition of the Board of directors.
- To monitor and ensure efficient policies and guideline of management.
- To consider and review the charter of the Board of Directors and Sub-committee annually.
- To appoint the company secretary on behalf of the Company or the Board of directors to be responsible for various aspects such as director registration, notice of the Board of directors' meeting and the shareholder's meeting, etc.
- To report on one's own portfolio of company's securities, as well as those of their spouses and minor children not yet of legal age, and to report the change of own portfolio of company's securities to the Securities and Exchange Commission within 3 business days after the change.
- To maintain the Company's inside information obtained from their job performance and refrain from exploiting such information for personal or other parties' gains. Undertake no securities transactions at least 1 month prior to announcement of financial statements and at least 3 days after such announcement.

Approval Authority of the Board of Directors

- Vision, strategy, annual plans, and budgets
- Annual capital expenditure budget
- Dividend policy (interim)
- Appointment of directors during the year and appointment of subcommittees
- Changes to investment projects (within the limits specified in the delegation of authority manual)
- Investment or joint ventures in new businesses
- Approval of asset transfers/sales (within the limits specified in the delegation of authority manual)
- Approval of short-term and long-term loan limits, including the issuance and offering of bonds
- Approval of bad debt write-offs (within the limits specified in the delegation of authority manual)

Roles, Duties and Responsibilities of Chairman of the Board Directors

- Steer, monitor, and ensure efficient performance of the Board in fulfilling the Company's objectives and main goals
- Promote the board of directors' adherence to corporate governance principles.
- Determine the agenda for the board meetings with the Chief Executive Office to and ensure that the board members receive accurate, complete, clear, and timely information before the meeting so that they can make appropriate decisions.
- Serve as the leader of the board of directors and chair the board meetings.
- The chairman or a person designated by the chairman is responsible for calling board meetings by sending a meeting invitation at least 7 days prior to the meeting to give board members enough time to study, review, and make proper decisions on the agenda items.
- Conduct board meetings according to the agenda, company regulations, and laws.

- Allocate sufficient time for meetings and encourage all board members to freely and independently discuss, exchange opinions, and make decisions carefully, considering all stakeholders thoroughly.
- Summarize the meeting resolutions and clearly outline the actions to be taken.
- Lead shareholder meetings in accordance with the agenda, company regulations, and laws by allocating appropriate time for the meeting, ensuring equal opportunities for shareholders to express their opinions, and ensuring that shareholder inquiries are addressed properly and transparently.
- Promote relation between the Board and the management. Support the Chief Executive Office's management align with the Company's policy
 - Support the board of directors in performing their duties within their authority and responsibilities as defined by law and good corporate governance principles

7.3 Sub-Committees

The Board of Directors has appointed sub-committee to help assure shareholders of transparency and good corporate governance. Sub-committees report directly to the Board of Directors.

7.3.1 The Audit Committee

The Board of Directors has approved the appointment of the Audit Committee who must be independent director and meet the qualifications under the requirements of the Stock Exchange of Thailand. The Audit Committee comprises three independent directors, all of whom are well accepted and have a full understanding of, and experience in, accounting or finance.

The names of the Audit Committee (As of December 31, 2024) are as follow:

| Name | Position |
|----------------------------|---------------------------------|
| 1. Mr. Somchai Sawasdeepon | Chairman of the Audit Committee |
| 2. Mr. Phillip Chayarak | Member of the Audit Committee |
| 3. Mr. Jatsada Awasakul | Member of the Audit Committee |

Remark Mr. Thakerngbol Laobisuddhi is the Secretary to the Audit Committee.

Authority and Responsibilities of the Audit Committee

- To ensure that the Company correctly and completely reports its financial status by coordinating with the auditor and the management responsible to prepare the financial reports both quarterly and annually. The Audit Committee may request the auditor to review or audit any transactions which are materially significant.
- To ensure that the Company has an effective and efficient internal control, internal audit system, and risk management.
- To ensure that the Company abided by the Securities Exchange Act and rules and regulations of The Stock Exchange of Thailand or other laws governing its operation.
- To consider, select, dismiss and propose the appointment of the auditor of the Company and to consider the auditor's compensation by taking into account the credential, supporting staffs, capacity and experience of the auditing office.
- To consider, select, dismiss and propose of the internal auditor
- To fully disclose information on related transactions and those with potential conflicts of interest.
- To prepare Audit Committee report by disclosing in annual report and certified by Chairman of Audit Committee.
- To review the internal control related to the anti-corruption measures.
- To supervise all directors, executives, and employees to strictly comply with the company's anti-corruption policy.
- To consider that the whistle blowing of anti-corruption.
- To perform any duty assigned by the Board of Directors with the consent of the Audit Committee.

7.3.2 The Company's Risk Committee

The Board of Directors has approved the appointment of the Company's Risk Committee which comprises 3 executive directors. The Chairman of the Risk Committee is a Chief Executive Officer.

The names of the Risk Committee (As of December 31, 2024) are as follow:

| Name | Position |
|--------------------------------|--------------------------------|
| 1. Dr. Narongrit Tangkarawakun | Chairman of the Risk Committee |
| 2. Mr. Thakerngbol Laobisuddhi | Member of the Risk Committee |
| 3. Mr. Satit Jirakulsomchok | Member of the Risk Committee |

Authority and Responsibilities of the Risk Committee

- To consider risk management policy and guideline.
- To define risk management strategies and framework.
- To oversee and monitor risk assessment and prepare risk management plan.
- To define risk criteria and risk tolerance.
- To establish appropriate measures to cope with risks in various circumstances.
- To provide the risk management working group with necessary factors, such as personnel, budget and other resources as per the scope of their responsibilities.
- To review and comment on report of risk management plan in the previous year.
- To oversee the risk assessment process.
- To approve risk management plan and follow the progression.
- Report risk management results to the Audit Committee twice a year.
- Report risk management results to the Board of Directors at least once a year.
- To perform other duties as assigned by the Board of Directors.
- Monitor risk management, corporate governance, and practices in accordance with the regulations of listed companies in the Stock Exchange of Thailand.

7.3.3 The Company's Executive Committee

The Company's Executive Committee comprises 4 persons. Executive Committee convenes meetings fortnightly.

The names of the Company's Executive Committee (As of December 31, 2024) are as follow:

| Name | Position |
|--------------------------------|-------------------------------------|
| 1. Dr. Narongrit Tangkarawakun | Chairman of the Executive Committee |
| 2. Mr. Thakerngbol Laobisuddhi | Member of the Executive Committee |
| 3. Mr. Satit Jirakulsomchok | Member of the Executive Committee |

Authority and Responsibilities of the Executive Committee

- To define policies, targets, strategies, operational plans, annual budget and managing authority to propose to the Board of Directors for approval.
- To oversee business operations according to the policies of the Company, targets, strategies, and annual budget as approved by the Board of Directors in an efficient manner and corresponding to the condition of the business as well as provide consultant, recommendation, management to members of senior management.

- To consider capital expenditure or financial transaction with financial institutions for opening a loan account, pledge, mortgage, loan guarantees and other transactions, including any trading/registered land to propose to the Board of Directors for approval.
- To define organizational structure and efficient management and administration, covering recruitment, training, hiring and termination of employees, who are executives or top executives, to propose to the Nomination and Remuneration Committee for approval.
- To consider all types of works proposed to the Board of Directors, except for work under responsibilities and/or authority of other Committees who shall consider and submit to the Board of Directors directly.
- To perform other duties as assigned by the Board of Directors.

7.4 Executive Management

7.4.1 Names and Positions of Executives Management

The names of the Executives Management (As of December 31, 2024) are as follow:

| Name | Position |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Dr. Narongrit Tangkarawakun | Acting Chief Executive Officer Acting Chief Commercial Officer Acting Chief Administrative Officer Acting Chief Business Development Officer |
| 2. Mr. Thakerngbol Laobisuddhi | Chief Financial Officer |
| 3. Mr. Satit Jirakulsomchok | Chief Operation Officer |
| 4. Mr. Chandeck Pantrakul | Accounting Manager |

Authority and Responsibilities of the Chief Executive Officer

- Has the authority to control the Company's management to be in accordance with policies set by the Board of Directors and to report on performance to the Board of Directors.
- Consider the annual budget allocations prepared by the Management and propose to the Board of Directors for approval, as well as monitoring the annual budget expenditures of each department.
- Consider the Company's business operation assessment in order to mitigate risks from various factors, both internal and external.
- Has the authority to order, issue regulations, make announcements, and record to ensure that operations are conducted in accordance with the policies or benefits of the Company.
- Has the authority to consider the approval of the purchase and expenditures for normal business transactions of the Company. This includes approving the purchases of raw materials and related services, as well as operating expenses, sales and administrative expenses, and investment expenditures to be consistent with the Board of Directors' approved budget and remain within the authorized budget limit.
- Consider the purchase of assets and propose to the Board of Directors for approval.
- Consider binding agreements regarding the rights and assets of the Company with individuals, companies, stores or financial institutions and propose to the Board of Directors for approval.
- Consider the Company's profits and losses and propose interim dividends or annual dividends to the Board of Directors for approval.
- Takes any action to support the business operations of the Company in accordance with the authorized authority from the Board of Directors under the policy of the Board of Directors

In this regard, the Chief Executive Officer may sub delegate authority to Company executives to approve any financial transactions deemed appropriate by the Chief Executive Officer. This does not include the authority to approve transactions involving the Chief Executive Officer or any individuals who may have a conflict of interest, stakeholders or any conflict of interests with the Company (as defined in the Company's Articles of Association and as prescribed by the Office of the Securities and Exchange Commission) unless the approval are normal business transactions that are clearly aligned with the connected transactions policy.

7.4.2 Remuneration of Executive Management

The Company has determined remuneration for the executive's management at an appropriate level. The remuneration of executive management will be in accordance with principles and policies as determined by the Company's Board of Directors in which the consideration will be made based on duties, responsibilities, performance of each executive, and operational performance of the Company. In 2024, total remuneration of Executive Management is Baht 16,454,256 which includes salary, bonus, and provident fund contribution.

Remark Executive Management in accordance with the notification of the SEC

Other Remuneration

- No -

7.5 Personnel

The Company does not have any major labor disputes over the past 3 years. The Company has employees as of December 31, 2024 as follow;

| Employees | Number (Person) |
|------------------------------------------------------------------|-------------------------|
| 1. Executive Management | 3 |
| 2. Chief Executive Officer Office | 1 |
| 3. Company Secretary Office | 2 |
| 4. Information Technology | 3 |
| 5. Human Resources and General Affair | 10 |
| 6. Finance | 11 |
| 7. Accounting | 21 |
| 8. Marketing | 11 |
| 9. Domestic Sales | 24 |
| 10. International Sales | 6 |
| 11. Business Development | 9 |
| 12. Professional Hygiene | 12 |
| 13. Crop Solution | 13 |
| 14. Production | 147 |
| 15. Logistic | 39 |
| 16. Quality Assurance | 18 |
| 17. Research & Development | 34 |
| 18. Research & Development & Quality Assurance (Food & Beverage) | 8 |
| 19. Engineering | 12 |
| 20. Purchasing | 9 |
| 21. Safety & Environment | 4 |
| 22. Planning | 5 |
| Total number of employees | 402 |
| Salary, bonus and provident fund for the year 2024 | 201,466,931 Baht |

Employee compensation: The Company has employee compensation policy that takes into account the suitability and also in line with the same industry average including to suitable for the expansion of the business. The Company established a provident fund. Employees may contribute to the monthly fund at the rate of 3% to 15% of the employee's basic salary and the Company contribute to the monthly fund at 5% of the employee's basic salary.

7.6 Other important information

| | Contact | Detail |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Secretary, Investor Relation and Company Compliance | Mr. Thakerngbol Laobisuddhi | <ul style="list-style-type: none"> • Company Secretary Tel. 0-2320-2288 E-mail: companysecretary@sherwood.co.th • Investor Relation Tel. 0-2320-2288 E-mail: ir@sherwood.co.th • Company Compliance Tel. 0-2320-2288 |
| Internal Audit | Mr. Khamnung Sarisara | Kandit Advisory Services Co., Ltd |
| Auditor | Ms. Chonlaros Suntiasvaraporn (Certified Public Accountant No.4523) and/or Ms. Krongkaew Limkittikul (Certified Public Accountant No.5874) and/or Mr. Natthawut Santipet (Certified Public Accountant No.5730) | <ul style="list-style-type: none"> • Audit Fee The Company and its subsidiaries paid audit fees year 2024 to EY Office Limited in the total amount of 3,105,000 Baht and 15,000 Baht other audit firms. The auditors did not have any relationship with or any interest (except for auditing) in the Company, subsidiaries, executives, major shareholders, or any related persons thereof which may result in the auditors being unable to perform their duties independently. • Non-audit Fee The Company and its subsidiaries has no other audit service from EY Office Limited. |

8. Corporate Governance Report

8.1 Performance of the Board of Directors

In 2024, the Company was scored 98 points in the evaluation of the quality of Annual General Meeting of Shareholder (AGM checklist) by the Thai Investors Association (TIA) and rated “Good (3 STAR)” in the Corporate Governance Report (CGR) by the Thai Institute of Directors Association (IOD). The Company’s Corporate Governance in 2024 detailed below:

1. Rights and Equitable Treatment of Shareholders

The Board of Directors resolved to hold the meeting via an electronic method (E-AGM) on April 26, 2024 at 10.00 am. The Company’s AGM invitation contains the details of meeting agenda, along with directors’ opinions, the details of agenda to consider the important reasons, positive and negative impact in each agenda, authorization documents in formats as defined by law and procedures of the meeting for the meeting via an electronic method (E-AGM). The Company sent the AGM invitation at least 21 days and 30 days on Company’s website prior to the meeting respectively, to allow time for shareholders of the incoming meeting. The Company proposed to shareholders can request for additional meeting agenda, as well as nomination of candidate for the post of director nominee in advance during on 1 November 2024 to 31 January 2025. The Company established the transparent procedures and criteria and publicized them on the company’s website and notified the shareholders through the Stock Exchange of Thailand. However, there was no shareholder who requested for additional meeting agenda and the nomination of candidate for the director nominee.

For the registration of annual general meeting, an independent director has been appointed as a proxy for the shareholders in the event that a shareholder wishes to appoint an independent director to attend the meeting instead.

Shareholders can choose to appoint any other person as a proxy to attend the meeting instead. the Company will send username and password via email to shareholders or proxies in advance in order to use for logging in the AGM program at least 2 hours prior beginning of meeting and continue to do so until the finish meeting. Shareholders are able to vote on the agenda item being considered provided that a resolution is not yet made. Late-register shareholders shall constitute part of the quorum starting from the agenda item for which they are in attendance and can exercise their voting rights unless the meeting states otherwise.

Prior to the meeting, the Company’s secretary will start to explain the method of voting and counting via electronic method. For the result of voting in each agenda, the Company immediately announced the result of vote in each agenda of each shareholder’s resolution regardless of whether the vote result shows on outcome of agree or disagree. Moreover, The Board of Directors moderate the shareholders’ meeting according the agenda announced earlier in the meeting’s invitation document, and will not add any agenda to the meeting without informing shareholders in advanced, so that the shareholders have enough time to study the information of the operation performance to be considered in each agenda adequately and suitably. In the meeting, the Board of Directors will allow chance for shareholders to opinion and answer to the inquiry, by having the Chairman, Sub-committee chairman, Chief Executive Officer, senior executives in accounting and finance to jointly answer. However, in replying to the inquiry, the Board of Directors will adhere to the equal opportunity to the Company’s information.

After the meeting, The Company’s Board of Directors assigned the Company’s secretary to prepare and write the meeting report with accuracy and complete, and the disseminate the meeting report to all shareholders through investor relation website and the Company also submitted the report to the Stock Exchange of Thailand within 14 days after the date of meeting.

2. Role of Stakeholders

The Company has placed the importance to the rights of all stakeholders as follow:

- Shareholders

The Company has conducted the business and respects the rights of shareholders and equitable treatment with transparency, credibility and determination in enhancing sustainable and secured financial position to increase its share value.

- **Employees**

The Company has recognized the importance of employees who are a pivotal factor for success, The Company practices towards employees to ensure fair treatment base on Human rights principle. The Company always supports personnel improvement both in-house and external training and takes care of health and safety in workplace. Employee remuneration committee was set up to protect employees' rights. In addition, it provided appropriate and fair returns and welfare to all employees such as medical treatment expenses, service buses, birthday parties, associations & assemblies for relaxation and entertainment to pay back for employees' full intention in their performances. However, the Company manages the provident fund and savings and credit cooperative for employee in order to enrich their living and provide security.

Moreover, employees are annually evaluated with Key Performance Indicators (KPI) to motivate them who dedicate their performance efficiently to lead a maximum benefits of the Company and achievement of business targets. The Key Performance Indicators (KPI) of the Company consist financial and Non-financial performance indicators.

In 2024, the proportion of Provident Fund Employee members compare to total employees as follow:

| | Total number of members (Person) | Ratio of members/Total employees (%) |
|-------------------------------------|-------------------------------------|-----------------------------------------|
| Provident Fund / Saving Cooperative | 298 | 74.13 |

- **Employee Development Policy**

The Company has a policy to continually improve the potential and efficiency of employees in order to compete and deal with new, evolving innovations. As a result, the Company organizes training internally and with external organizations, dividing them into various courses that are appropriate for the job position, professional standards, and the department's goals and objectives, in order to increase knowledge, skills, and work efficiency, whether technical, professional, or general management, in order to maximize operational potential and promote advancement in their fields. The training courses are divided as follows:

(1)Operational Level

The Company organized technical and professional training courses, both internally and externally, that were relevant to each employee's position. Moreover, employees received training on the quality control system and safety system which is applicable to the manufacturing process in order to help them understand the work process and perform duties effectively in accordance with the ISO 9001 and ISO 14001 standards.

(2)Management Level

The Company has a policy to continually improve the potential and efficiency of employees in order to compete and deal with new, evolving innovations. As a result, the Company organizes training internally and with external organizations, dividing them into various courses that are appropriate for the job positions, professional standards or in accordance with the goals and objectives of the department. Moreover, the Company sends employees to go on study visits abroad in order to gain knowledge and cutting-edge technology that will help develop products and organizations in order to stay current with industry changes and increase competitiveness in the future. Additionally, new employees will receive an ethics and code of business conduct manual on their first day of employment to ensure that they understand the Company's rules, regulations, and practice guidelines and are capable of performing their duties properly and appropriately.

- Clients

The Company has aimed to develop quality of its products and services which worth the price, quality, safety, and also had been tested and proven safe by the experts in both technology and environmental preservation.

- Partners / Suppliers

The Company has provided fairly treatment with accountability and transparency to its lenders in accordance with the stipulations of contracts and financial obligations. It strictly avoided unfair conducts, and also abstained from hidden information or facts that might cause damages to the lenders.

The Company has complied with trading terms and offered accurate information in order to foster good relations and mutual understanding. There were also exchanges of knowledge and the joint development of goods and services with environmental care in order to increase the value of those goods and services. The Company would not demand, accept or consent to the receipt of the other properties or benefits accruing outside trade agreements.

- Competitors

The Company has strictly followed competition rules. The Company will not spy on or fraudulently seek competitors' secrets and not damage its relationship with the competitors and their reputation.

- The public sector or Government

The Company adheres to file tax accurately and strictly complies the public sector or Government with all relevant laws, criteria, rules and regulations.

- Communities and Society

The Company has a policy to do business in a way that benefits the economy and the society, aiming to create a balance between business growth, community development, social development, and good environmental practice. The Company aims to safeguard local customs and to be a good corporate citizen by complying with applicable laws and regulations.

- Environment

The Company realizes to social and environment responsibilities. The Company has policy of quality, safety occupational health and environment for all employees and has policy to use resources effectively and efficiently. The Company controls and manages waste from the production process and general consumption as well as contamination released into the atmosphere through the use of efficient technology and close monitoring. The Company has already registered to ISO 14001 certification, which is the standard for environmental management systems for reducing of impact to environment.

3. Disclosure and Transparency

The Company recognizes the importance of information disclosure because it greatly affects decision-making of investors and stakeholders. The Company's Information was disclosed via the Stock Exchange of Thailand and Company's website. In 2024, The Company has not whistleblowing issues.

4. Prevention of conflicts of interest and utilization of Internal Information

The Board of Directors has established policies on conflicts of interest, confidentiality, use of inside information, and oversee of the Company's assets in order to provide directors, executives and employees with guidelines for appropriate practice. Directors, executives and employees can access the Company's policies through the organization's internal computer network (Intranet) and the Company's website. In addition, new directors, executives and employees will be informed of the company's various policies during the orientation training.

Directors and Executives have duty to report the status of security holding and acknowledge the change in security prepared report to the Security Exchange Commission according to the Article 59 of Security Exchange Commission Act (B.E. 2535) within 3 days after the date of purchase, sell, transfer, or receive the transfer of security.

The Board of Directors is aware of the items with conflicts of interest and the connected transactions and has considered appropriately each time. The Audit Committees will present to the Board of Directors regarding the transactions that may have conflict of interest. It includes complying with the criteria of the Stock Exchange of Thailand (SET) on the price and item as if it were on an arm's length basis. The detail, value, contract partner, reason/ necessity of such connected items that are essential shall be disclosed in the annual report and the annual information form.

If directors have interest in the decision, the Chairman of the Board will request for Directors to inform in the Meetings of the Board of Directors. The director shall be absent in the meeting, except the Chairman of the meeting allows the director to be present at the meeting to provide information and have no right to vote on that agenda item.

In 2024, the Company did not find any actions that violate the conflict of interest and utilization of Internal Information policy.

5. Code of conduct

Code of Conduct is published on the organization's internal computer network (Intranet) and the company's website in order to easy accessibility and adhere to practice in the same direction.

In 2024, the Company did not find any actions that violate the Code of Conduct policy.

6. Responsibilities of the Board

The Board of Directors is responsible for establishing policies, operating guidelines, and support plans for any changing circumstances to be consistent with the Company's primary goals. This includes commenting on the strategy, vision mission and establishing critical policies that employees must adhere to in order to guarantee the Company's sustainability and maximum benefit. This is the Board of Directors' responsibility as the representative of the shareholders.

Balance of authority

Presently, the Board of Directors comprises of 7 directors:

- 4 non-executive directors who are 3 independent directors
- 3 Executive Director

The Company has 3 independent directors which are complied with the criteria of the Securities and Exchange Commission that determine independent director must be a minimum one-third of the Board of Directors.

| | 1. Engineering / Science | 2. Marketing / Communication | 3. Policy Development | 4. Finance and Accounting / Economic | 5. Regulatory and Law | 6. Corporate Governance | 7. Risk Management and Internal Control | 8. HR and Organization Development | 9. International Business | 10. Merge and Acquisition | 11. Strategic Planning |
|--------------------------------|--------------------------|------------------------------|-----------------------|--------------------------------------|-----------------------|-------------------------|-----------------------------------------|------------------------------------|---------------------------|---------------------------|------------------------|
| 1. Mr. Somchai Sawasdeepon | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | ✓ |
| 2. Mr. Phillip Chayarak | | ✓ | | | ✓ | | | ✓ | | | ✓ |
| 3. Mr. Jatsada Awasakul | | | | ✓ | | ✓ | ✓ | | | | ✓ |
| 4. Dr. Somchai Laohverapanich | | ✓ | ✓ | | ✓ | ✓ | ✓ | | | | ✓ |
| 5. Dr. Narongrit Tangkarawakun | ✓ | | ✓ | ✓ | ✓ | | | | | | ✓ |
| 6. Mr. Thakerngbol Laobisuddhi | | | ✓ | | ✓ | ✓ | | | ✓ | | |
| 7. Mr. Narin Trisukosol | | ✓ | | ✓ | | | | ✓ | | | ✓ |

Appointment and Nomination of Directors

The Board of Directors shall consider the appropriateness and the best interest for the Company's operation, together with the qualification, skills, experience, expertise, and operation of all the persons nominated to be appointed as director. Also, the nominees are able to independently raise their opinions and in compliance with the relevant rules and regulations. Moreover, The Company offers its minor shareholders the opportunity to propose a proper person with profile for considering on appointment the Directors agenda in the annual general meeting as a director.

Criteria and process for director nomination in a systematic manner as follows:

1.

The Company provides for small shareholders to nominate the names of suitable persons or consider the persons from the director pool or consider existing directors to be re-appointed, or each director proposes the name of suitable persons to be appointed.



2.

Select and screen the persons with suitable qualifications to be directors, such as suitable knowledge, experiences and specific ability corresponding to the business operation strategy of the Company, which is in line with the Board Skill Matrix.



3.

Examine list of names of nominated persons if they possess the qualifications according to the laws and requirements of regulatory agencies.



4.

Consider the dedicated time of directors, their stake or conflict of interest with the Company in case of re-appointment for another term of office by taking into account the performance of duties while serving their terms, their provision of beneficial recommendations, opinions and participation in various activities including the number of companies to be working for as directors to ensure that their efficiency will not decrease.



5.

In case of appointment of independent directors, their qualifications must be in line with the criteria adopted by the Company, which is stricter than those adopted by the Capital Market Supervisory Board.



6.

Prepare the list of names already considered and screened by the Nomination and Compensation Committee including their qualifications in an orderly manner to be proposed to the Board of Directors to be further proposed to the ordinary shareholders' meeting to consider one after another.



Appointment and Nomination of Directors

In 2024, there were no independent directors who have held the position for more than 9 years, and there were no directors of the company who hold the position of director of more than 5 companies listed in the Stock Exchange of Thailand. The Acting Chief Executive Officer holds a position as a director of 1 limited company, which the Board of Directors has acknowledged.

The Meetings of the Board of Directors and Sub-Committee

In the quarterly Board meetings, the Company secretary shall determine and notify the directors in advance of the date of the next year's Board meeting in order to enable the board to allocate time and attend meetings. The meeting date of the Board of Directors shall be set within 5 business days prior to the end date of the disclosure of financial statements in accordance with the criteria of the Stock Exchange.

The quorum of the meeting of the Board of Directors shall consist of not less than two-thirds of the total number of directors. In addition, the resolution must have at least two third of the total number of directors present. In every meeting of the Board of Director, the management will present the company's performance to the board of directors so that they have the opportunity to consider and review the direction to ensure that it is always in line with the designated policies. Moreover, in every Board meeting, the Chairman of the Board of Directors, who acts as the chairman of the assembly, gives the directors and executives an opportunity to express their opinions freely, and welcomed to propose additional agendas, and can openly discuss and express opinions in considering various matters.

The Meeting Attendance Summary in 2024

| Name | The Board of Directors | | | | The Audit Committee | | | |
|-----------------------------------------|------------------------|-----------|-------|----------------------|---------------------|-----------|-------|----------------------|
| | Physical Meeting | e-Meeting | Total | % Meeting attendance | Physical Meeting | e-Meeting | Total | % Meeting attendance |
| 1. Mr. Somchai Sawasdeepon | 6/8 | - | 6/8 | 75.00 | 4/4 | - | 4/4 | 100.00 |
| 2. Mr. Phillip Chayarak* | 4/5 | - | 4/5 | 80.00 | 3/3 | - | 3/3 | 100.00 |
| 3. Mr. Jatsada Awasakul* | 0/0 | - | 0/0 | 0.00 | - | - | - | - |
| 4. Dr. Somchai Laohverapanich | 8/8 | - | 8/8 | 100.00 | - | - | - | - |
| 5. Dr. Narongrit Tangkarawakun | 8/8 | - | 8/8 | 100.00 | - | - | - | - |
| 6. Mr. Thakerngbol Laobisuddhi | 8/8 | - | 8/8 | 100.00 | - | - | - | - |
| 7. Mr. Narin Trisukosol | 6/8 | - | 6/8 | 75.00 | - | - | - | - |
| 8. Mr. Prachak Tangkaravakoon** | 2/2 | - | 2/2 | 100.00 | - | - | - | - |
| 9. Pol. Gen. Dr. Chitchai Wannasathit** | 5/6 | - | 5/6 | 83.33 | 3/3 | - | 3/3 | 100.00 |

Remark¹ Number of Attendance/Number of Meeting

Remark² * Director appointed in 2024

** Director resigned in 2024

Report of Changes in Securities Holdings of Directors

| Name | Position | Number of Ordinary Shares May 8, 2023 | Increase/ (Decrease) in shares held during a year | Number of Ordinary Shares May 8, 2024 | % of shareholding |
|--------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------|---------------------------------------|-------------------|
| 1. Mr.Somchai Sawasdeepon | Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director | - | - | - | - |
| 2. Mr. Phillip Chayarak | Member of the Audit Committee and Independent Director | - | - | - | - |
| 3. Mr. Jatsada Awasakul | Member of the Audit Committee and Independent Director | - | - | - | - |
| 4. Dr. Somchai Laohverapanich | Director | - | - | - | - |
| 5. Dr. Narongrit Tangkarawakun | Director and Acting Chief Executive Officer | - | - | - | - |
| 6. Mr. Thakerngbol Laobisuddhi | Director and Chief Financial Officer | - | - | - | - |
| 7. Mr. Narin Trisukosol | Director and International Sales Director | 8,000,000 | - | 8,000,000 | 1.76 |

Development programs for Company's directors and executives

Participation of Company's Director, organized by Thai Institute of Director (IOD)

| Name | Course | | | | |
|-----------------------------------------|---------|----------|---------|------------|--------|
| | DAP | DCP | FSD | O-War ROOM | SBM |
| 1. Mr.Somchai Sawasdeepon | 63/2007 | 120/2009 | - | - | - |
| 2. Mr. Phillip Chayarak* | - | - | - | - | - |
| 3. Mr. Jatsada Awasakul* | - | - | - | - | - |
| 4. Dr. Somchai Laohverapanich | - | - | - | - | - |
| 5. Dr. Narongrit Tangkarawakun | - | 294/2020 | 32/2018 | 7/2020 | 8/2020 |
| 6. Mr. Thakerngbol Laobisuddhi | | 93/2007 | | | |
| 7. Mr. Narin Trisukosol | - | 254/2018 | - | - | - |
| 8. Mr. Prachak Tangkaravakoon** | 21/2004 | - | - | - | - |
| 9. Pol. Gen. Dr. Chitchai Wannasathit** | 75/2008 | - | - | - | - |

Remark¹ * Director appointed in 2024

** Director resigned in 2024

Remark² DAP = Director Accreditation Program

DCP = Director Certification Program

FSD = Financial Statements for Directors

O-War Room = Board War Room Series

SBM = Strategic Board Master Class

Remuneration of Company's directors

The Company has determined remuneration for the directors at an appropriate level, it remains the rate at the level comparable to companies in the same group of industry. The remuneration payment of the directors must be approved by the Company's shareholders. The annual shareholders general meeting on April 26, 2024 has approved a total amount of 1,400,000 Baht in remuneration for director per year. Remuneration for each director is detailed in the 56-1 One Report.

Table of the Remuneration for the Board of Directors and the Subcommittees in 2024

| Name | Yearly Remuneration (Baht) | Meeting Allowance (Baht) | | Bonus 2024 (Baht) |
|-----------------------------------------|----------------------------------|--------------------------|--------------------------|----------------------|
| | | The Audit Committee | The Board of Director | |
| 1. Mr. Somchai Sawasdeepon | 300,000 | 40,000 | 80,000 | - |
| 2. Mr. Phillip Chayarak* | 225,000 | 30,000 | 60,000 | - |
| 3. Mr. Jatsada Awasakul* | 25,000 | - | - | - |
| 4. Dr. Somchai Laohverapanich | 180,000 | - | 80,000 | - |
| 5. Dr. Narongrit Tangkarawakun | - | - | - | - |
| 6. Mr. Thakerngbol Laobisuddhi | - | - | - | - |
| 7. Mr. Narin Trisukosol | - | - | - | - |
| 8. Mr. Prachak Tangkaravakoon** | 45,000 | - | 20,000 | - |
| 9. Pol. Gen. Dr. Chitchai Wannasathit** | 225,000 | 30,000 | 60,000 | - |
| Total | 1,000,000 | 100,000 | 300,000 | 0 |

Remark * Director appointed in 2024

** Director resigned in 2024

9. Internal Control and Related Transactions

9.1 Internal Control

The Board of Directors recognize the importance of an internal control by emphasizing on the efficient and adequate internal control system for business operation to maximize management efficiency as well as assets monitoring, reduction in possible errors, the Company's damage prevention, financial management, risk management, operation supervision, which reasonably ensure that the Company can operate as expected and maximized the added value in long run. The Board of Directors appoints the Audit Committee to review the assessment results to ensure that the internal control system supports the Company's effective and efficient operations, provides accurate and reliable reporting, and is in compliance with relevant laws and regulations.

In 2024, the Board of directors endorsed the Audit Committee's report on the assessment result by the Office of the Securities and Exchange Commission of Thailand (SEC) is employed to assess the Company's internal control system, under framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which details are as follow:

1. Organization and Environment

The Company determines business goals which are accurate, clear, possible and measurable. Moreover, a clear chain of command and delegation of authority were defined to supports the goals. There are regulations and penalties to prohibit executives and employees from possible conflict of interest. The Company enforces its business Code of Conduct to its employees and requires full compliance by them, and continues to underline the importance of integrity and accountability to stakeholders.

2. Risk Management

The Company always conduct the risk assessment, both internal and external business risks. Top management in each division and department will analyze risk factors and clearly define the acceptable level of risk tolerance and communicate to all employees for practices their work in order to ensure the Company's objective achievement.

3. Management Control

The Company uses Key Performance Indicator (KPI) as instrument for planning and controlling. Separation of duties and responsibilities were applied in creating the basis for checks and balances. It also published the Manual of Authorities that included the establishment of different level of approval authorities and monetary limits, which were documented and clearly defined. Documents were prepared for delegation of responsibilities as well as responsible persons in case of mistakes and the Company's assets being protected from loss or improper utilization by several measurements. Company's benefit or opportunities were properly protected against exploitation. Prescribed measures were implemented to ensure that the Company complied with relevant laws and regulations. Control measures were also in place to monitor all transactions with related parties such as directors to prevent interests transfer. The controlling procedure shall be done by passing those transactions through approval process of independent directors or authorized persons, who are freely from conflict of interests. Disclosure of related party transactions shall be completed as in accordance with the regulations of Office of the Securities and Exchange Commission, Thailand (SEC) as well as the accounting standard as designated by the Association of Accountants and Auditors of Thailand.

4. Information and Communication

The Company provides enough information systems to ensure that decisions of Directors and Management are made based on adequate, accurate and reliable information. Directors' opinions are recorded in the minutes of meeting. Accounting documents are filed systematically in accordance with the accounting system for the purposes of business policy.

5. Monitoring

The Company uses a follow up system comparing each quarter's goal, which is examined by the internal audit, by reporting the performance directly to the Audit Committee. When significant errors are encountered, the Internal Audit must immediately inform the Committee concerned, as well as the updated error correction report.

The Audit Committee appointed the Kandit Advisory Services Co., Ltd as an internal audit which was considered qualification and independence to the responsibility of the internal audit of the Company. The internal audit of the Company has a direct quarterly reporting line to the Audit Committee. The qualifications and experience of the Company's Internal Audit appear under "Attachment 3 Information about Head of Internal Audit and Head of Company's Compliance Department". However, the appointment, evaluation, dismissal, transfer or employment termination of the Internal Audit Supervisor must be approved by the Audit Committee.

9.2 Related Transactions

| Persons who have potential conflict of interest and Type of connection | Type of inter-transaction | Value of transaction (Million Baht) | | Reasons | Pricing policy |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | 2024 | 2023 | | |
| Related Company: | | | | | |
| 1. TOA Group TOA Paint (Thailand) PCL. (TOA) - Major shareholder is the same Company. | <u>Sales</u> <u>Revenue</u> <u>Accounts Receivable</u> | 277 51.45 | 270 51.27 | Normal transacting practice, with the purchase of Insecticide and Wood Preservative product categories by TOA to further distribute among retail stores | Selling Price: - Selling prices for other products are equal for every distributor. - The purchase price of Chaindrite group given to TOA is lower than those of other distributors, due to the original price structure set by the former owner, The Shell Company of Thailand Limited. TOA was the first and foremost to introduce this type of products to the market. |
| 2. Ekkamai Charoensuk Holding Company Limited | <u>Short-term loans</u> <u>Interest income</u> | 5 - | - - | Short-term loan in the form of Promissory Note as working capital for businesses | The loan carries interest at rates of 3.5 percent per annum and due at call. |

| Persons who have potential conflict of interest and Type of connection | Type of inter-transaction | Value of transaction (Million Baht) | | Reasons | Pricing policy |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | 2024 | 2023 | | |
| Subsidiary : | | | | | |
| 1. Sherwood Chemicals Australasia Pty. Ltd. (SWCA) - SWC owns 50% shareholding - Has common directors | <u>Sales Revenue</u> <u>Accounts Receivable</u> | 45 11.17 | 55 19.42 | Normal transaction practice by which Sherwood Chemicals Australasia purchase Insecticide product to further distribute to customer in Australia | - Selling prices are similar to the level where the Company used to export to foreign customers. - 120 days as credit term or sooner when foreign customers make payment. |
| 2. Hokkaido Food and Beverage Co., Ltd. (HFB) - SWC owns 99.95% shareholding - Has common directors | <u>Short-term loans</u> <u>Interest Receivable</u> <u>Interest income</u> | 412 23.63 9 | 412 23.64 - | Short-term loan in the form of Promissory Note as working capital for businesses | The loan carries interest at rates of 2-3 percent per annum and due at call. |
| Director : | | | | | |
| 1. Director (Major shareholder) | <u>Short-term loans</u> <u>Interest income</u> | 3 - | - - | Short-term loan in the form of Promissory Note as working capital for businesses | The loan carries interest at rates of 3.5 percent per annum and due at call. |

Report and consolidated and separate financial statements

31 December 2024

Independent Auditor's Report

To the Shareholders of Sherwood Corporation (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sherwood Corporation (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, 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 material accounting policy information, and have also audited the separate financial statements of Sherwood Corporation (Thailand) Public Company Limited for the same period (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sherwood Corporation (Thailand) Public Company Limited and its subsidiaries and of Sherwood Corporation (Thailand) Public Company Limited as at 31 December 2024, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

Revenue from sales is significant to the financial statements. Moreover, the Company has sales transactions with a large number of customers under a variety of conditions, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. As a result, revenue from sales is a significant account which directly affects the Company's operating results.

I assessed and tested the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I have examined supporting documents, on a sampling basis, for actual sales transactions

occurring during the year and expanding the scope of audit near the end of the reporting period. I also sent confirmation requests for the amounts of sales to major customers and examined credit notes issued by the Group after the period-end. In addition, I 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 entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. I describe this matter 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.

Natthawut Santipet
Certified Public Accountant (Thailand) No. 5730

EY Office Limited
Bangkok: 25 February 2025

Statements of financial position

As at 31 December 2024

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------------------------|------|-----------------------------------|---------------|-------------------------------|---------------|
| | Note | 2024 | 2023 | 2024 | 2023 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 447,965,873 | 326,479,129 | 362,996,627 | 275,748,272 |
| Trade and other receivables | 6, 8 | 153,458,386 | 183,670,116 | 135,075,062 | 160,368,646 |
| Inventories | 9 | 147,991,739 | 207,670,882 | 119,991,540 | 143,907,139 |
| Other current assets | | 19,800,095 | 20,005,557 | 9,972,917 | 8,686,133 |
| Total current assets | | 769,216,093 | 737,825,684 | 628,036,146 | 588,710,190 |
| Non-current assets | | | | | |
| Long-term loans to subsidiary and interest receivables | 6 | - | - | 326,633,486 | 435,638,561 |
| Investments in subsidiaries | 10 | - | - | 1,277,100 | 9,276,588 |
| Property, plant and equipment | 11 | 320,634,046 | 346,988,396 | 279,912,871 | 299,764,007 |
| Right-of-use assets | 15 | 17,908,385 | 37,394,775 | 13,779,377 | 25,327,307 |
| Intangible assets | 12 | 8,847,721 | 9,943,477 | 5,909,539 | 6,927,467 |
| Deferred tax assets | 21 | 11,705,185 | 9,989,244 | 11,201,641 | 7,949,932 |
| Other non-current assets | | 4,913,247 | 3,323,336 | 2,077,817 | 798,803 |
| Total non-current assets | | 364,008,584 | 407,639,228 | 640,791,831 | 785,682,665 |
| Total assets | | 1,133,224,677 | 1,145,464,912 | 1,268,827,977 | 1,374,392,855 |

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

Statements of financial position (continued)

As at 31 December 2024

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|----------------------------------------------|------|-----------------------------------|-------------|-------------------------------|-------------|
| | Note | 2024 | 2023 | 2024 | 2023 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 13 | - | 150,000,000 | - | 150,000,000 |
| Trade and other payables | 14 | 251,780,472 | 233,265,218 | 239,320,240 | 217,145,009 |
| Short-term loans from related party | 6 | 5,000,000 | - | - | - |
| Short-term loans from director | 6 | 3,000,000 | - | - | - |
| Current portion of lease liabilities | 15 | 9,826,037 | 17,927,751 | 5,585,791 | 10,371,086 |
| Income tax payable | | 21,687,163 | 12,563,407 | 19,316,393 | 10,833,623 |
| Other current liabilities | | 15,924,516 | 11,712,692 | 13,114,657 | 8,734,847 |
| Total current liabilities | | 307,218,188 | 425,469,068 | 277,337,081 | 397,084,565 |
| Non-current liabilities | | | | | |
| Lease liabilities, net of current portion | 15 | 8,036,080 | 19,972,384 | 8,036,080 | 15,284,607 |
| Provision for decommissioning | | 2,145,000 | 2,145,000 | - | - |
| Provision for long-term employee benefits | 16 | 39,149,983 | 34,424,541 | 36,472,867 | 31,593,271 |
| Deferred tax liabilities | 21 | 1,128,875 | 1,150,420 | - | - |
| Total non-current liabilities | | 50,459,938 | 57,692,345 | 44,508,947 | 46,877,878 |
| Total liabilities | | 357,678,126 | 483,161,413 | 321,846,028 | 443,962,443 |

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

Statements of financial position (continued)

As at 31 December 2024

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------------------------|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Shareholders' equity | | | | | |
| Share capital | 17 | | | | |
| Registered | | | | | |
| 515,339,296 ordinary shares of Baht 0.50 each | | | | | |
| (2023: 470,000,000 ordinary shares of Baht 0.50 each) | | 257,669,648 | 235,000,000 | 257,669,648 | 235,000,000 |
| Issued and fully paid-up | | | | | |
| 498,732,180 ordinary shares of Baht 0.50 each | | | | | |
| (2023: 453,392,962 ordinary shares of Baht 0.50 each) | | 249,366,090 | 226,696,481 | 249,366,090 | 226,696,481 |
| Share premium | | 160,507,348 | 160,507,348 | 160,507,348 | 160,507,348 |
| Capital reserve for share-based payment transactions | 23 | - | 16,218,941 | - | 16,218,941 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 19 | 25,766,965 | 23,500,000 | 25,766,965 | 23,500,000 |
| Unappropriated | | 318,383,223 | 210,243,764 | 508,687,039 | 500,853,135 |
| Other components of shareholders' equity | | (1,096,494) | 1,473,619 | 2,654,507 | 2,654,507 |
| Equity attributable to owners of the Company | | 752,927,132 | 638,640,153 | 946,981,949 | 930,430,412 |
| Non-controlling interests of the subsidiaries | 10 | 22,619,419 | 23,663,346 | - | - |
| Total shareholders' equity | | 775,546,551 | 662,303,499 | 946,981,949 | 930,430,412 |
| Total liabilities and shareholders' equity | | 1,133,224,677 | 1,145,464,912 | 1,268,827,977 | 1,374,392,855 |
| | | - | - | - | - |

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

Directors

Statements of comprehensive income

For the year ended 31 December 2024

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------------------------------------------------------------------------|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales | 24 | 1,685,465,015 | 1,709,684,345 | 1,503,182,513 | 1,503,431,613 |
| Dividend income | 6 | - | - | 5,832,500 | 10,144,635 |
| Other income | | 4,259,077 | 3,715,675 | 2,785,693 | 2,005,756 |
| Total revenues | | <u>1,689,724,092</u> | <u>1,713,400,020</u> | <u>1,511,800,706</u> | <u>1,515,582,004</u> |
| Expenses | | | | | |
| Cost of sales | | 994,527,363 | 1,100,042,537 | 838,045,461 | 930,492,738 |
| Selling and distribution expenses | | 362,493,777 | 366,142,912 | 305,692,337 | 282,426,262 |
| Administrative expenses | | 151,973,685 | 143,212,705 | 135,168,267 | 130,588,603 |
| Impairment loss on investments in subsidiaries and long-term loans to subsidiary 6, | 10 | - | - | 165,999,990 | - |
| Total expenses | | <u>1,508,994,825</u> | <u>1,609,398,154</u> | <u>1,444,906,055</u> | <u>1,343,507,603</u> |
| Operating profit | | <u>180,729,267</u> | <u>104,001,866</u> | <u>66,894,651</u> | <u>172,074,401</u> |
| Finance income | | 2,867,986 | 2,599,412 | 1,746,121 | 10,323,315 |
| Finance cost | | (2,704,771) | (6,604,063) | (2,492,936) | (5,438,363) |
| Profit before income tax expenses | | <u>180,892,482</u> | <u>99,997,215</u> | <u>66,147,836</u> | <u>176,959,353</u> |
| Income tax expenses | 21 | (54,312,108) | (38,826,020) | (47,077,409) | (33,421,008) |
| Profit for the year | | <u>126,580,374</u> | <u>61,171,195</u> | <u>19,070,427</u> | <u>143,538,345</u> |
| Other comprehensive income: | | | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | | |
| Exchange differences on translation of financial statements in foreign currency - net of income tax | | (4,985,932) | (824,736) | - | - |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | | | |
| Actuarial gain - net of income tax | | - | 3,514,345 | - | 3,760,848 |
| Other comprehensive income for the year | | <u>(4,985,932)</u> | <u>2,689,609</u> | <u>-</u> | <u>3,760,848</u> |
| Total comprehensive income for the year | | <u>121,594,442</u> | <u>63,860,804</u> | <u>19,070,427</u> | <u>147,299,193</u> |

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

Statements of comprehensive income (continued)

For the year ended 31 December 2024

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|------------------------------------------------------|------|-----------------------------------|-------------------|-------------------------------|-------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 119,375,982 | 55,877,345 | 19,070,427 | 143,538,345 |
| Non-controlling interests of the subsidiaries | | 7,204,392 | 5,293,850 | | |
| | | <u>126,580,374</u> | <u>61,171,195</u> | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | 116,805,869 | 58,791,911 | 19,070,427 | 147,299,193 |
| Non-controlling interests of the subsidiaries | | 4,788,573 | 5,068,893 | | |
| | | <u>121,594,442</u> | <u>63,860,804</u> | | |
| Earnings per share | 22 | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 0.24 | 0.11 | 0.04 | 0.29 |
| Diluted earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | 0.24 | 0.11 | 0.04 | 0.29 |

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

Statements of changes in shareholders' equity

For the year ended 31 December 2024

(Unit: Baht)

| Consolidated financial statements | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------|------------|---------------------------------|------------------------|------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|----------------------------|---------------|
| Equity attributable to owners of the Company | | | | | | | | | | | |
| | Other components of shareholders' equity | | | | | | | | | | |
| | Other comprehensive income | | | | | | | | | | |
| | Exchange differences on translation of financial statements in foreign currency | | | | | | | | | | |
| Issued and fully paid-up share capital | Share premium | Capital reserve for share-based payment transactions | Retained earnings | | Unappropriated foreign currency | Actuarial gains (loss) | Total other components of shareholders' equity | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total shareholders' equity | |
| | | | Appropriated statutory reserve | | | | | | | | |
| Balance as at 1 January 2023 | 226,696,481 | 160,507,348 | 15,205,257 | 23,250,000 | 267,964,659 | (453,433) | (987,514) | (1,440,947) | 692,182,798 | 27,238,783 | 719,421,581 |
| Profit for the year | - | - | - | - | 55,877,345 | - | - | - | 55,877,345 | 5,293,850 | 61,171,195 |
| Other comprehensive income for the year | - | - | - | - | - | (599,779) | 3,514,345 | 2,914,566 | 2,914,566 | (224,957) | 2,689,609 |
| Total comprehensive income for the year | - | - | - | - | 55,877,345 | (599,779) | 3,514,345 | 2,914,566 | 58,791,911 | 5,068,893 | 63,860,804 |
| Transfer unappropriated retained earnings to statutory reserve (Note 19) | - | - | - | 250,000 | (250,000) | - | - | - | - | - | - |
| Share-based payment transactions (Note 23) | - | - | 1,013,684 | - | - | - | - | - | 1,013,684 | - | 1,013,684 |
| Dividend paid (Note 25) | - | - | - | - | (113,348,240) | - | - | - | (113,348,240) | - | (113,348,240) |
| Dividend paid by subsidiary to non-controlling interests (Note 10) | - | - | - | - | - | - | - | - | - | (10,144,635) | (10,144,635) |
| Increase in non-controlling interests of the subsidiaries from additional investments in subsidiary | - | - | - | - | - | - | - | - | - | 1,500,305 | 1,500,305 |
| Balance as at 31 December 2023 | 226,696,481 | 160,507,348 | 16,218,941 | 23,500,000 | 210,243,764 | (1,053,212) | 2,526,831 | 1,473,619 | 638,640,153 | 23,663,346 | 662,303,499 |
| Balance as at 1 January 2024 | 226,696,481 | 160,507,348 | 16,218,941 | 23,500,000 | 210,243,764 | (1,053,212) | 2,526,831 | 1,473,619 | 638,640,153 | 23,663,346 | 662,303,499 |
| Profit for the year | - | - | - | - | 119,375,982 | - | - | - | 119,375,982 | 7,204,392 | 126,580,374 |
| Other comprehensive income for the year | - | - | - | - | - | (2,570,113) | - | (2,570,113) | (2,570,113) | (2,415,819) | (4,985,932) |
| Total comprehensive income for the year | - | - | - | - | 119,375,982 | (2,570,113) | - | (2,570,113) | 116,805,869 | 4,788,573 | 121,594,442 |
| Transfer unappropriated retained earnings to statutory reserve (Note 19) | - | - | - | 2,266,965 | (2,266,965) | - | - | - | - | - | - |
| Transfer capital reserve for share-based payment transactions to unappropriated retained earnings (Note 23) | - | - | (16,218,941) | - | 16,218,941 | - | - | - | - | - | - |
| Stock dividend (Note 17 and 25) | 22,669,609 | - | - | - | (22,669,609) | - | - | - | - | - | - |
| Dividend paid (Note 25) | - | - | - | - | (2,518,890) | - | - | - | (2,518,890) | - | (2,518,890) |
| Dividend paid by subsidiary to non-controlling interests (Note 10) | - | - | - | - | - | - | - | - | - | (5,832,500) | (5,832,500) |
| Balance as at 31 December 2024 | 249,366,090 | 160,507,348 | - | 25,766,965 | 318,383,223 | (3,623,325) | 2,526,831 | (1,096,494) | 752,927,132 | 22,619,419 | 775,546,551 |

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

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2024

(Unit: Baht)

| Separate financial statements | | | | | | |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------|------------------------------------------------------|----------------------------------|----------------|------------------------------------------|
| | Issued and fully paid-up share capital | Share premium | Capital reserve for share-based payment transactions | Retained earnings | | Other components of shareholders' equity |
| | | | | Appropriated - statutory reserve | Unappropriated | |
| Balance as at 1 January 2023 | 226,696,481 | 160,507,348 | 15,205,257 | 23,250,000 | 470,913,030 | (1,106,341) |
| Profit for the year | - | - | - | - | 143,538,345 | - |
| Other comprehensive income for the year | - | - | - | - | - | 3,760,848 |
| Total comprehensive income for the year | - | - | - | - | 143,538,345 | 3,760,848 |
| Transfer unappropriated retained earnings to statutory reserve (Note 19) | - | - | - | 250,000 | (250,000) | - |
| Share-based payment transactions (Note 23) | - | - | 1,013,684 | - | - | - |
| Dividend paid (Note 25) | - | - | - | - | (113,348,240) | - |
| Balance as at 31 December 2023 | 226,696,481 | 160,507,348 | 16,218,941 | 23,500,000 | 500,853,135 | 2,654,507 |
| Balance as at 1 January 2024 | 226,696,481 | 160,507,348 | 16,218,941 | 23,500,000 | 500,853,135 | 2,654,507 |
| Profit for the year | - | - | - | - | 19,070,427 | - |
| Other comprehensive income for the year | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | 19,070,427 | - |
| Transfer unappropriated retained earnings to statutory reserve (Note 19) | - | - | - | 2,266,965 | (2,266,965) | - |
| Transfer capital reserve for share-based payment transactions to unappropriated retained earnings (Note 23) | - | - | (16,218,941) | - | 16,218,941 | - |
| Stock dividend (Note 17 and 25) | 22,669,609 | - | - | - | (22,669,609) | - |
| Dividend paid (Note 25) | - | - | - | - | (2,518,890) | - |
| Balance as at 31 December 2024 | 249,366,090 | 160,507,348 | - | 25,766,965 | 508,687,039 | 2,654,507 |
| | | | | | | 946,981,949 |

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

Cash flow statements

For the year ended 31 December 2024

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash flows from operating activities | | | | |
| Profit before income tax | 180,892,482 | 99,997,215 | 66,147,836 | 176,959,353 |
| Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation | 51,062,729 | 52,739,920 | 35,041,127 | 37,482,469 |
| Amortisation | 1,241,941 | 2,087,274 | 1,236,189 | 2,079,446 |
| Allowance for expected credit losses (reversal) | 2,315,554 | (4,035,956) | 2,947,614 | (1,537,466) |
| Bad debt | - | 575,000 | - | 575,000 |
| Allowance for diminution in value of inventories (reversal) | 10,116,085 | (14,164,323) | 6,700,953 | (15,392,538) |
| Gain on change in fair value of derivatives | (256,218) | (2,223,662) | (20,228) | (2,190,468) |
| Impairment loss on investments in subsidiaries | - | - | 56,999,490 | - |
| Impairment loss on long-term loans to subsidiary | - | - | 109,000,500 | - |
| (Gain) loss on sales of equipment | 60,925 | 403,593 | (34,360) | (274,505) |
| Loss on write off of equipment | 2,916,694 | - | 2,236,500 | - |
| Loss on sales of intangible assets | 30,991 | - | 30,991 | - |
| Impairment loss on intangible assets | 72,076 | - | - | - |
| Gain on write off of right-of-use assets | (12,862) | (4,186) | - | (4,186) |
| Unrealised (gain) loss on exchange rate | (2,743) | 34,042 | 659,486 | (20,455) |
| Share-based payment transactions | - | 1,013,684 | - | 1,013,684 |
| Provision for long-term employee benefits | 5,967,784 | 4,874,889 | 5,496,686 | 4,397,018 |
| Gain on bargain purchase | - | (25,477) | - | - |
| Dividend income | - | - | (5,832,500) | (10,144,635) |
| Finance income | (2,867,986) | (2,599,412) | (1,746,121) | (10,323,315) |
| Finance cost | 2,704,771 | 6,604,063 | 2,492,936 | 5,438,363 |
| Profit from operating activities before changes in operating assets and liabilities | 254,242,223 | 145,276,664 | 281,357,099 | 188,057,765 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 27,894,046 | 76,050,280 | 21,686,188 | 57,253,417 |
| Inventories | 49,563,058 | 78,882,110 | 17,214,646 | 86,016,537 |
| Other current assets | 285,171 | 6,829,869 | (1,190,226) | 4,269,192 |
| Other non-current assets | (1,589,911) | 290,837 | (1,279,014) | (107,100) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 20,514,038 | (61,261,540) | 21,343,893 | (36,056,994) |
| Other current liabilities | 4,468,042 | (691,000) | 4,400,038 | 168,605 |
| Payment of long-term employee benefits | (1,242,342) | (2,667,039) | (617,090) | (2,185,969) |
| Cash from operating activities | 354,134,325 | 242,710,181 | 342,915,534 | 297,415,453 |
| Cash paid for interest expenses | (2,690,266) | (6,608,638) | (2,492,936) | (5,438,363) |
| Cash paid for corporate income tax | (46,908,986) | (36,699,168) | (41,846,349) | (31,084,131) |
| Net cash flows from operating activities | 304,535,073 | 199,402,375 | 298,576,249 | 260,892,959 |

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

Cash flow statements (continued)

For the year ended 31 December 2024

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------------------------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash flows from investing activities | | | | |
| Increase in loans to subsidiary | - | - | - | (100,000,000) |
| Net cash payment for purchases of investments in subsidiaries | - | (374,007) | (49,000,000) | (3,499,995) |
| Proceeds from sales of equipment | 1,570,532 | 5,074,250 | 1,156,606 | 3,314,839 |
| Cash paid for acquisition of plant and equipment | (13,573,481) | (48,119,658) | (7,494,502) | (20,675,129) |
| Cash received from sale of intangible assets | 748 | - | 748 | - |
| Cash paid for acquisition of intangible assets | (250,000) | (959,400) | (250,000) | (889,400) |
| Dividends received from subsidiary | - | - | 5,832,500 | 10,144,635 |
| Cash received from interest income | 2,872,562 | 1,942,971 | 1,750,696 | 886,206 |
| Net cash flows used in investing activities | (9,379,639) | (42,435,844) | (48,003,952) | (110,718,844) |
| Cash flows from financing activities | | | | |
| Decrease in short-term loans from financial institutions | (150,000,000) | - | (150,000,000) | - |
| Increase in short-term loans from related party | 5,000,000 | - | - | - |
| Increase in short-term loans from director | 3,000,000 | - | - | - |
| Decrease in long-term loans from financial institutions | - | (833,048) | - | - |
| Payment of lease liabilities | (18,331,447) | (18,037,462) | (10,805,128) | (9,456,131) |
| Dividend paid | (2,518,814) | (113,325,229) | (2,518,814) | (113,325,229) |
| Dividend paid by subsidiary to non-controlling interests | (5,832,500) | (10,144,635) | - | - |
| Cash received from non-controlling interests for investments in subsidiary | - | 1,500,005 | - | - |
| Net cash flows used in financing activities | (168,682,761) | (140,840,369) | (163,323,942) | (122,781,360) |
| Decrease in translation adjustment | (4,985,929) | (824,736) | - | - |
| Net increase in cash and cash equivalents | 121,486,744 | 15,301,426 | 87,248,355 | 27,392,755 |
| Cash and cash equivalents at beginning of year | 326,479,129 | 311,177,703 | 275,748,272 | 248,355,517 |
| Cash and cash equivalents at end of year | 447,965,873 | 326,479,129 | 362,996,627 | 275,748,272 |
| Supplement cash flows information | | | | |
| Non-cash items consist of: | | | | |
| Increase in right-of-use assets due to entering into lease agreements | 3,514,665 | 19,805,158 | 3,514,665 | 18,310,658 |
| Decrease in right-of-use assets due to cancel and modification lease agreements | 5,304,936 | - | 4,839,919 | - |
| Increase in property, plant and equipment due to provision for decommissioning | - | 2,145,000 | - | - |

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

Notes to financial statements

For the year ended 31 December 2024

1. General information

Sherwood Corporation (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is TOA Venture Holding Company Limited, which is incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of insecticide, cleaning and wood preservative products. The registered address is as follows:

Head Office: 1065, Srinakarin Road, Suanluang, Suanluang, Bangkok

Factories: 90/1 and 109 Moo 9, Bangwour, Bangprakong, Chacheongsao

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 Sherwood Corporation (Thailand) Public Company Limited and its subsidiaries (“the Group”). The details of subsidiaries are as follows:

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|-----------------------------------------------------|-----------------------------------------------------------------------|--------------------------|----------------------------|-----------------|
| | | | 2024 Percent | 2023 Percent |
| <u>Subsidiaries directly owned by the Company</u> | | | | |
| Sherwood Chemicals Australasia Pty Ltd. | Distribution of insecticide products | Australia | 50.00 | 50.00 |
| Hokkaido Food and Beverage Co., Ltd. | Manufacture and distribution of food products such as milk and syrup | Thailand | 99.99 | 99.95 |
| Teepol Professional International Co., Ltd. | Distribution of fertilizer and chemical products | Thailand | 99.97 | 99.97 |
| Lottofood (Thailand) Co., Ltd.* | Manufacture and distribution of plant-based foods | Thailand | 70.00 | 70.00 |
| <u>Subsidiaries indirectly owned by the Company</u> | | | | |
| Held by Hokkaido Food and Beverage Co., Ltd. | | | | |
| Hokkaido Morimoto Co., Ltd. | Manufacture and distribution of food products such as milk and snacks | Thailand | 100.00 | 100.00 |

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|--------------------------------------------------------|-------------------------------------------------------|--------------------------|----------------------------|-----------------|
| | | | 2024 Percent | 2023 Percent |
| Subsidiaries directly owned by the Company (continued) | | | | |
| Hokkaido International Franchise Co., Ltd. | Distribution of food products such as milk and snacks | Thailand | 99.98 | 99.98 |
| TTD Holding Co., Ltd. | Distribution of food products such as milk and snacks | Thailand | 99.98 | 99.98 |
| TOA International Beverage Group Co., Ltd. | Manufacturing and distribution of beverages | Thailand | 100.00 | 100.00 |

* Lottofood (Thailand) Co., Ltd. is under liquidation.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) The subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in share holders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

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

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts and allowances.

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.

4.2 Cash and cash equivalents

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

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

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

4.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment/Depreciation

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

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

| | | | |
|------------------------------------------|---|---------|-------|
| Buildings | - | 13 - 30 | years |
| Machinery and equipment | - | 5 - 15 | years |
| Furniture, fixtures and office equipment | - | 5 | years |
| Motor vehicles | - | 5 | years |

Depreciation is included in profit or loss.

No depreciation is provided on land, land improvements and assets under installation.

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

4.6 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the 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 and tested for impairment whenever there is an indication that the intangible assets 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 | 10 years |

4.7 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the operations of the Group.

4.8 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 is calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term as follows:

| | | |
|------------------------------------|-------|-------|
| Buildings and building improvement | 2 - 3 | years |
| Motor vehicles | 3 - 5 | years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the

Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Foreign currency

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in profit or loss.

4.11 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits 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 contributions of the Group 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. 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 plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

Actuarial gains and losses arising from other long-term employee 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, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

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 fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Derivatives

The Group uses derivatives which are forward currency contracts to hedge its foreign currency risks.

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

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

4.17 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 technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Consolidation of subsidiary that the Company holds half of shares

The management of the Company determined that the Company has control over Sherwood Chemicals Australasia Pty Ltd., even though the Company holds 50% of shares and voting rights. This is because the Company has the ability to direct the significant activities. As a result, Sherwood Chemicals Australasia Pty Ltd. is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Property plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

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

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

6. Related party transactions

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

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer pricing policy |
|--------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------|----------------------------------|-------------|----------------------------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | |
| <u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements) | | | | | |
| Sales of goods | - | - | 45 | 55 | Cost plus margin as mutually agreed |
| Dividend income | - | - | 6 | 10 | Announced rate |
| Interest income | - | - | - | 9 | 2-3 percent per annum |
| <u>Transactions with related company</u> | | | | | |
| Sales of goods | 292 | 282 | 277 | 270 | Market price |

The balances of the accounts as at 31 December 2024 and 2023 between the Company, its subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------------------------------|-----------------------------------|--------|-------------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| <u>Trade receivables - related parties (Note 8)</u> | | | | |
| Subsidiaries | - | - | 11,165 | 19,415 |
| Related company (Common director) | 52,573 | 51,681 | 51,447 | 51,274 |
| Total trade receivables - related parties | 52,573 | 51,681 | 62,612 | 70,689 |
| <u>Other receivables - related parties (Note 8)</u> | | | | |
| Subsidiaries | - | - | 1,251 | 1,260 |

Long-term loans to subsidiary and interest receivables

As at 31 December 2024 and 2023, the balance of long-term loans to subsidiary and interest receivables and the movement were as follows:

(Unit: Thousand Baht)

| Long-term loans to subsidiary and interest receivables | Separate financial statements | | | Balance as at 31 December 2024 |
|----------------------------------------------------------|--------------------------------|--------------------------|--------------------------|--------------------------------|
| | Balance as at 31 December 2023 | Increase during the year | Decrease during the year | |
| <u>Hokkaido Food and Beverage Company Limited</u> | | | | |
| Loans | 412,000 | - | - | 412,000 |
| Interest receivables | 23,639 | - | (5) | 23,634 |
| Total | 435,639 | - | (5) | 435,634 |
| Less: Allowance for impairment loss (Note 10) | - | (109,000) | - | (109,000) |
| Net | 435,639 | (109,000) | (5) | 326,634 |

Loans to Hokkaido Food and Beverage Co., Ltd. represent unsecured loans in the form of promissory notes.

Short-term loans from related party

As at 31 December 2024 and 2023, the balance of short-term loans from related party and the movement were as follows:

(Unit: Thousand Baht)

| Consolidated financial statements | | | | |
|--------------------------------------------|--------------------------------|--------------------------|--------------------------|--------------------------------|
| Short-term loans from related party | Balance as at 31 December 2023 | Increase during the year | Decrease during the year | Balance as at 31 December 2024 |
| Ekkamai Charoensuk Holding Company Limited | - | 5,000 | - | 5,000 |

Short-term loans from related party represent unsecured loans in the form of promissory notes, carried interest at a rate of 3.50 percent per annum and repayable at call

Short-term loans from director

As at 31 December 2024 and 2023, the balance of short-term loans from director and the movement were as follows:

(Unit: Thousand Baht)

| Consolidated financial statements | | | | |
|-----------------------------------|--------------------------------|--------------------------|--------------------------|--------------------------------|
| Short-term loans from director | Balance as at 31 December 2023 | Increase during the year | Decrease during the year | Balance as at 31 December 2024 |
| Director (Major shareholder) | - | 3,000 | - | 3,000 |

Short-term loans from director represent unsecured loans in the form of promissory notes, carried interest at a rate of 3.50 percent per annum and repayable at call.

Directors and management's benefits

For the years ended 31 December 2024 and 2023, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

| Consolidated/Separate financial statements | | |
|--------------------------------------------|------|------|
| | 2024 | 2023 |
| Short-term employee benefits | 15 | 14 |
| Post-employment benefits | 1 | 1 |
| Total | 16 | 15 |

7. Cash and cash equivalents

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------|-----------------------------------|---------|-------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash | 423 | 576 | 250 | 250 |
| Bank deposits | 447,543 | 325,903 | 362,747 | 275,498 |
| Total | 447,966 | 326,479 | 362,997 | 275,748 |

As at 31 December 2024, bank deposits in saving accounts carried interest at rates between 0.15 and 0.60 percent per annum (2023: between 0.15 and 0.60 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------------------|-----------------------------------|---------|-------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| <u>Trade receivables - related parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 51,770 | 51,676 | 62,483 | 70,680 |
| Past due | | | | |
| Up to 3 months | 34 | 5 | 75 | 9 |
| 3 - 6 months | 769 | - | 54 | - |
| Total | 52,573 | 51,681 | 62,612 | 70,689 |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 65,677 | 70,937 | 51,593 | 48,285 |
| Past due | | | | |
| Up to 3 months | 31,016 | 61,235 | 15,293 | 40,024 |
| 3 - 6 months | 6,766 | 346 | 6,690 | 345 |
| 6 - 12 months | 583 | 1,142 | 583 | 820 |
| Over 12 months | 6,365 | 5,533 | 4,547 | 3,492 |
| Total | 110,407 | 139,193 | 78,706 | 92,966 |
| Less: Allowance for expected credit losses | (9,526) | (7,210) | (7,494) | (4,546) |
| Net | 100,881 | 131,983 | 71,212 | 88,420 |
| Total trade receivables - net | 153,454 | 183,664 | 133,824 | 159,109 |
| <u>Other receivables</u> | | | | |
| Advances - related parties | - | - | 1,251 | 1,260 |
| Advances - unrelated parties | 4 | 6 | - | - |
| Total other receivables | 4 | 6 | 1,251 | 1,260 |
| Total trade and other receivables - net | 153,458 | 183,670 | 135,075 | 160,369 |

The normal credit term is 30 to 120 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|-----------------------------------|---------|-------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Balance at beginning of year | 7,210 | 11,246 | 4,546 | 6,083 |
| Increase (decrease) during the year | 2,316 | (4,036) | 2,948 | (1,537) |
| Balance at end of year | 9,526 | 7,210 | 7,494 | 4,546 |

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements

| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
|-------------------|---------|---------|-------------------------------------|---------|-------------------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Raw materials | 49,385 | 68,362 | (4,789) | (2,009) | 44,596 | 66,353 |
| Finished goods | 69,133 | 80,626 | (8,296) | (3,208) | 60,837 | 77,418 |
| Work in process | 1,590 | 4,818 | (14) | (31) | 1,576 | 4,787 |
| Packing materials | 37,552 | 51,506 | (2,202) | (2,088) | 35,350 | 49,418 |
| Goods in transit | 7,784 | 9,695 | (2,151) | - | 5,633 | 9,695 |
| Total | 165,444 | 215,007 | (17,452) | (7,336) | 147,992 | 207,671 |

(Unit: Thousand Baht)

Separate financial statements

| | Cost | | Reduce cost to net realisable value | | Inventories - net | |
|-------------------|---------|---------|-------------------------------------|---------|-------------------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Raw materials | 40,896 | 51,109 | (1,025) | (1,038) | 39,871 | 50,071 |
| Finished goods | 57,558 | 51,871 | (6,655) | (2,193) | 50,903 | 49,678 |
| Work in process | 1,279 | 4,818 | (11) | (31) | 1,268 | 4,787 |
| Packing materials | 26,121 | 39,313 | (121) | - | 26,000 | 39,313 |
| Goods in transit | 4,101 | 58 | (2,151) | - | 1,950 | 58 |
| Total | 129,955 | 147,169 | (9,963) | (3,262) | 119,992 | 143,907 |

During the current year, the Group reduced cost of inventories by Baht 49.5 million (2023: Baht 9.3 million) (The Company only: Baht 29.2 million, 2023: Baht 2.0 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 39.4 million (2023: Baht 23.5 million) (The Company only: Baht 22.5 million, 2023: Baht 17.4 million), and reduced the amount of inventories recognised as expenses during the year.

10. Investments in subsidiaries

10.1 Details of investments in subsidiaries as presented in separate financial statements

(Unit: Thousand Baht)

| Company's name | Paid-up capital | | Shareholding percentage | | Cost | |
|---------------------------------------------|-----------------|-----------------|-------------------------|----------|----------|-------|
| | 2024 | 2023 | 2024 (%) | 2023 (%) | 2024 | 2023 |
| Sherwood Chemicals Australasia Pty Ltd. | AUD 20,000 | AUD 20,000 | 50.00 | 50.00 | 277 | 277 |
| Hokkaido Food and Beverage Co., Ltd. | Baht 50 million | Baht 1 million | 99.99 | 99.95 | 50,000 | 1,000 |
| Teepol Professional International Co., Ltd. | Baht 1 million | Baht 1 million | 99.97 | 99.97 | 1,000 | 1,000 |
| Lottofood (Thailand) Co., Ltd. | Baht 10 million | Baht 10 million | 70.00 | 70.00 | 7,000 | 7,000 |
| Total | | | | | 58,277 | 9,277 |
| Less: Allowance for impairment loss | | | | | (57,000) | - |
| Investments in subsidiaries - net | | | | | 1,277 | 9,277 |

- 10.2 On 22 January 2024, the Company's Board of Directors meeting passed a resolution to approve the sale of all the Company's investments in Lottofood (Thailand) Co., Ltd. ("the subsidiary"), totaling Baht 6.99 million. Subsequently, on 26 March 2024, the Company's Board of Directors meeting passed resolutions to cancel the sale of its investments in the subsidiary and to cease the subsidiary's operations. The Company recorded a full allowance for impairment loss on its investments in the subsidiary.
- 10.3 On 26 January 2024, the Extraordinary General meeting of the shareholders of Hokkaido Food and Beverage Co., Ltd. ("the subsidiary") passed a resolution to increase its registered share capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 50 million (500,000 ordinary shares of Baht 100 each) through the issuance of 490,000 new ordinary shares of Baht 100 each. The Company invested in all the newly issued ordinary shares. As a result, the Company's shareholding in the subsidiary increased from 99.95% to 99.99%.
- 10.4 On 5 September 2024, Lottofood (Thailand) Co., Ltd. ("the subsidiary") registered its distribution with the Ministry of Commerce. Currently, the company is under liquidation.
- 10.5 During the current year, the Company recorded allowance for impairment loss on investments in Hokkaido Food and Beverage Co., Ltd. ("the subsidiary") amounting to Baht 50 million and allowance for impairment loss on long-term loans to the subsidiary amounting to Baht 109 million in the separate statement of comprehensive income for the current year.
- 10.6 During the current year, the Company received dividends of AUD 0.25 million, approximately Baht 5.83 million (2023: AUD 0.45 million, approximately Baht 10.1 million), from Sherwood Chemicals Australasia Pty Ltd.

10.7 Details of investments in Sherwood Chemicals Australasia Pty Ltd. that have material non-controlling interests
(Unit: Million Baht)

| | Proportion of equity interest held by non-controlling interests | | Accumulated balance of non-controlling interests | | Profit allocated to non-controlling interests during the year | |
|--|-----------------------------------------------------------------|--------------------|--------------------------------------------------|-------------|---------------------------------------------------------------|-------------|
| | <u>2024</u> (%) | <u>2023</u> (%) | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | 50.00 | 50.00 | 23 | 23 | 8 | 6 |

10.8 Summarised financial information that based on amounts before inter-company elimination about Sherwood Chemicals Australasia Pty Ltd. that have material non-controlling interests

Summarised information about financial position as at 31 December 2024 and 2023:

(Unit: Million Baht)

| | <u>2024</u> | <u>2023</u> |
|---------------------|-------------|-------------|
| Current assets | 59 | 68 |
| Current liabilities | 14 | 23 |

Summarised information about comprehensive income for the years ended 31 December 2024 and 2023:

(Unit: Million Baht)

| | <u>2024</u> | <u>2023</u> |
|-----------------------------------------|-------------|-------------|
| Revenue | 105 | 91 |
| Profit for the year | 17 | 13 |
| Other comprehensive income for the year | (5) | (1) |
| Total comprehensive income for the year | 12 | 12 |

Summarised information about cash flow for the years ended 31 December 2024 and 2023:

(Unit: Million Baht)

| | <u>2024</u> | <u>2023</u> |
|------------------------------------------------------|-------------|-------------|
| Cash flows from operating activities | 13 | 12 |
| Cash flows used in financing activities | (12) | (20) |
| Net increase (decrease) in cash and cash equivalents | <u>1</u> | <u>(8)</u> |

11. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

| | Land and land improvements | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation | Total |
|------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------|-------------------------------|---------------------------------------------------|-------------------|---------------------------------|----------|
| Cost: | | | | | | | |
| As at 1 January 2023 | 113,941 | 263,619 | 317,219 | 52,262 | 14,906 | 12,906 | 774,853 |
| Additions | - | 3,424 | 9,512 | 4,775 | - | 24,020 | 41,731 |
| Capitalised provision for decommissioning | - | 2,145 | - | - | - | - | 2,145 |
| Disposals | - | - | (7,910) | (290) | (1,341) | - | (9,541) |
| Transfers in (out) | - | 13,301 | 16,645 | 3,734 | - | (33,680) | - |
| As at 31 December 2023 | 113,941 | 282,489 | 335,466 | 60,481 | 13,565 | 3,246 | 809,188 |
| Additions | - | 604 | 3,745 | 1,278 | - | 5,933 | 11,560 |
| Disposals/write-off | - | - | (6,208) | (6,106) | - | (2,237) | (14,551) |
| Transfers in (out) | - | 395 | 1,280 | 586 | - | (2,261) | - |
| As at 31 December 2024 | 113,941 | 283,488 | 334,283 | 56,239 | 13,565 | 4,681 | 806,197 |
| Accumulated depreciation: | | | | | | | |
| As at 1 January 2023 | - | 154,522 | 226,296 | 40,491 | 10,992 | - | 432,301 |
| Depreciation for the year | - | 11,550 | 17,037 | 4,243 | 1,034 | - | 33,864 |
| Depreciation on disposals | - | - | (3,352) | (185) | (526) | - | (4,063) |
| As at 31 December 2023 | - | 166,072 | 239,981 | 44,549 | 11,500 | - | 462,102 |
| Depreciation for the year | - | 11,304 | 16,952 | 4,438 | 673 | - | 33,367 |
| Depreciation on disposals/write-off | - | - | (4,156) | (5,750) | - | - | (9,906) |
| As at 31 December 2024 | - | 177,376 | 252,777 | 43,237 | 12,173 | - | 485,563 |
| Allowance for impairment loss: | | | | | | | |
| As at 31 December 2023 | - | - | 98 | - | - | - | 98 |
| Decrease during the year | - | - | (98) | - | - | - | (98) |
| As at 31 December 2024 | - | - | - | - | - | - | - |
| Net book value: | | | | | | | |
| As at 31 December 2023 | 113,941 | 116,417 | 95,387 | 15,932 | 2,065 | 3,246 | 346,988 |
| As at 31 December 2024 | 113,941 | 106,112 | 81,506 | 13,002 | 1,392 | 4,681 | 320,634 |
| Depreciation for the year | | | | | | | |
| 2023 (Baht 30 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | | 33,864 |
| 2024 (Baht 29 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | | 33,367 |

(Unit: Thousand Baht)

Separate financial statements

| | Land and land improvements | Buildings | Machinery and equipment | Furniture, fixtures and office equipment | Motor vehicles | Assets under installation | Total |
|---------------------------------------------------------------------------------------------------------------|----------------------------------|-----------|-------------------------------|---------------------------------------------------|-------------------|---------------------------------|---------|
| Cost: | | | | | | | |
| As at 1 January 2023 | 113,941 | 260,014 | 266,490 | 39,289 | 8,487 | 6,394 | 694,615 |
| Additions | - | 708 | 5,768 | 3,375 | - | 5,977 | 15,828 |
| Disposals | - | - | (5,350) | (138) | - | - | (5,488) |
| Transfers in (out) | - | - | 9,127 | - | - | (9,127) | - |
| As at 31 December 2023 | 113,941 | 260,722 | 276,035 | 42,526 | 8,487 | 3,244 | 704,955 |
| Additions | - | 245 | 1,838 | 686 | - | 5,557 | 8,326 |
| Disposals/write-off | - | - | (1,344) | (5,250) | - | (2,237) | (8,831) |
| Transfers in (out) | - | 311 | 1,082 | 489 | - | (1,882) | - |
| As at 31 December 2024 | 113,941 | 261,278 | 277,611 | 38,451 | 8,487 | 4,682 | 704,450 |
| Accumulated depreciation: | | | | | | | |
| As at 1 January 2023 | - | 151,508 | 193,294 | 29,198 | 6,354 | - | 380,354 |
| Depreciation for the year | - | 9,864 | 13,226 | 3,456 | 739 | - | 27,285 |
| Depreciation on disposals | - | - | (2,327) | (121) | - | - | (2,448) |
| As at 31 December 2023 | - | 161,372 | 204,193 | 32,533 | 7,093 | - | 405,191 |
| Depreciation for the year | - | 8,490 | 12,497 | 3,184 | 647 | - | 24,818 |
| Depreciation on disposals/write-off | - | - | (288) | (5,184) | - | - | (5,472) |
| As at 31 December 2024 | - | 169,862 | 216,402 | 30,533 | 7,740 | - | 424,537 |
| Net book value: | | | | | | | |
| As at 31 December 2023 | 113,941 | 99,350 | 71,842 | 9,993 | 1,394 | 3,244 | 299,764 |
| As at 31 December 2024 | 113,941 | 91,416 | 61,209 | 7,918 | 747 | 4,682 | 279,913 |
| Depreciation for the year | | | | | | | |
| 2023 (Baht 25 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | | 27,285 |
| 2024 (Baht 23 million included in manufacturing cost, and the balance in selling and administrative expenses) | | | | | | | 24,818 |

As at 31 December 2024, certain items of plant and equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 208 million (2023: Baht 164 million) (The Company only: Baht 186 million, 2023: Baht 140 million).

12. Intangible assets

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------|-----------------------------------|-----------|-------------------------------|-------------------|
| | Computer software | Trademark | Total | Computer software |
| Cost: | | | | |
| As at 1 January 2023 | 21,531 | 3,860 | 25,391 | 20,168 |
| Addition | 959 | - | 959 | 889 |
| As at 31 December 2023 | 22,490 | 3,860 | 26,350 | 21,057 |
| Addition | 250 | - | 250 | 250 |
| Disposals/write-off | (424) | - | (424) | (144) |
| As at 31 December 2024 | 22,316 | 3,860 | 26,176 | 21,163 |
| Accumulated amortisation: | | | | |
| As at 1 January 2023 | 13,362 | 167 | 13,529 | 12,050 |
| Amortisation expenses for the year | 2,087 | - | 2,087 | 2,080 |
| As at 31 December 2023 | 15,449 | 167 | 15,616 | 14,130 |
| Amortisation expenses for the year | 1,242 | - | 1,242 | 1,236 |
| Amortisation on disposals/write-off | (321) | - | (321) | (113) |
| As at 31 December 2024 | 16,370 | 167 | 16,537 | 15,253 |
| Allowance for impairment loss: | | | | |
| As at 31 December 2023 | - | 791 | 791 | - |
| As at 31 December 2024 | - | 791 | 791 | - |
| Net book value: | | | | |
| As at 31 December 2023 | 7,041 | 2,902 | 9,943 | 6,927 |
| As at 31 December 2024 | 5,946 | 2,902 | 8,848 | 5,910 |

13. Short-term loans from financial institutions

As at 31 December 2023, the balance was unsecured short-term loans in the form of promissory notes from local banks. The loans carried interest at rates of 3.00 - 3.25 percent per annum.

14. Trade and other payables

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------------------|-----------------------------------|---------|-------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Trade payables | 179,418 | 170,845 | 173,338 | 163,750 |
| Other payables | 33,105 | 24,833 | 28,215 | 20,196 |
| Accounts payable for purchases of fixed assets | 1,163 | 3,176 | 1,153 | 322 |
| Accrued expenses | 38,094 | 34,411 | 36,614 | 32,877 |
| Total trade and other payables | 251,780 | 233,265 | 239,320 | 217,145 |

15. Leases

The Group as a lessee

The Group has lease contracts for various items of property and equipment used in its operations. Leases generally have lease terms between 2 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2024 and 2023 are summarised below.

(Unit: Thousand Baht)

| Consolidated financial statements | | | | |
|-----------------------------------|------------------------------------------|-------------------------------|-------------------|----------|
| | Buildings and building improvement | Machinery and equipment | Motor vehicles | Total |
| As at 1 January 2023 | 19,864 | - | 16,693 | 36,557 |
| Additions during the year | 13,800 | 3,138 | 2,867 | 19,805 |
| Contract cancellation | - | - | (92) | (92) |
| Depreciation for the year | (12,708) | (27) | (6,140) | (18,875) |
| As at 31 December 2023 | 20,956 | 3,111 | 13,328 | 37,395 |
| Additions during the year | - | 1,562 | 1,953 | 3,515 |
| Contract cancellation | (466) | - | - | (466) |
| Contract modification | (4,840) | - | - | (4,840) |
| Depreciation for the year | (11,521) | (475) | (5,700) | (17,696) |
| As at 31 December 2024 | 4,129 | 4,198 | 9,581 | 17,908 |

(Unit: Thousand Baht)

| Separate financial statements | | | | |
|-------------------------------|------------------------------------------|-------------------------------|-------------------|----------|
| | Buildings and building improvement | Machinery and equipment | Motor vehicles | Total |
| As at 1 January 2023 | 612 | - | 16,693 | 17,305 |
| Additions during the year | 12,306 | 3,138 | 2,867 | 18,311 |
| Contract cancellation | - | - | (92) | (92) |
| Depreciation for the year | (4,030) | (27) | (6,140) | (10,197) |
| As at 31 December 2023 | 8,888 | 3,111 | 13,328 | 25,327 |
| Additions during the year | - | 1,562 | 1,953 | 3,515 |
| Contract modification | (4,840) | - | - | (4,840) |
| Depreciation for the year | (4,048) | (475) | (5,700) | (10,223) |
| As at 31 December 2024 | - | 4,198 | 9,581 | 13,779 |

b) Lease liabilities

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------------|-----------------------------------|----------|-------------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Lease payments | 19,009 | 39,403 | 14,734 | 26,902 |
| Less: Deferred interest expenses | (1,147) | (1,503) | (1,112) | (1,246) |
| Total lease liabilities | 17,862 | 37,900 | 13,622 | 25,656 |
| Less: Portion due within one year | (9,826) | (17,928) | (5,586) | (10,371) |
| Lease liabilities - net of current portion | 8,036 | 19,972 | 8,036 | 15,285 |

A maturity analysis of lease payments is disclosed in Note 29.2 to the financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------------------|-----------------------------------|--------|-------------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| Depreciation of right-of-use assets | 17,696 | 18,875 | 10,223 | 10,197 |
| Interest expenses on lease liabilities | 734 | 918 | 541 | 556 |
| Expenses relating to short-term leases | 3,537 | 3,307 | 1,069 | 1,774 |
| Expenses relating to leases of low-value assets | 5,901 | 6,063 | 5,583 | 5,865 |

16. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------------------------------------------|-----------------------------------|---------|-------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Provision for long-term employee benefits at beginning of year | 34,425 | 36,610 | 31,593 | 34,083 |
| Included in profit or loss: | | | | |
| Current service cost | 4,949 | 4,004 | 4,533 | 3,579 |
| Interest cost | 1,018 | 871 | 964 | 818 |
| Included in other comprehensive income: | | | | |
| Actuarial (gain) loss arising from | | | | |
| Demographic assumptions changes | - | 232 | - | 323 |
| Financial assumptions changes | - | (2,979) | - | (2,878) |
| Experience adjustments | - | (1,646) | - | (2,146) |
| Benefits paid during the year | (1,242) | (2,667) | (617) | (2,186) |
| Provision for long-term employee benefits at end of year | 39,150 | 34,425 | 36,473 | 31,593 |

The Group expects to pay Baht 0.8 million of long-term employee benefits during the next year (2023: Baht 0.6 million) (The Company only: Baht 0.5 million, 2023: Baht 0.3 million).

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 22 years (2023: 23 years) (The Company only: 22 years, 2023: 23 years).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

| | Consolidated financial statements | | Separate financial statements | |
|----------------------|-----------------------------------|--------------|-------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Discount rate | 2.04 - 3.92 | 2.01 - 3.92 | 2.04 - 2.99 | 2.01 - 2.99 |
| Salary increase rate | 2.50 - 5.00 | 2.50 - 5.00 | 5.00 | 5.00 |
| Turnover rate | 2.50 - 43.00 | 2.50 - 43.00 | 9.00 - 15.00 | 9.00 - 15.00 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below.

(Unit: Million Baht)

As at 31 December 2024

| | Consolidated financial statements | | Separate financial statements | |
|----------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Increase 0.5% | Decrease 0.5% | Increase 0.5% | Decrease 0.5% |
| Discount rate | (2) | 2 | (2) | 2 |
| Salary increase rate | 2 | (2) | 2 | (2) |

(Unit: Million Baht)

As at 31 December 2023

| | Consolidated financial statements | | Separate financial statements | |
|----------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | Increase 0.5% | Decrease 0.5% | Increase 0.5% | Decrease 0.5% |
| Discount rate | (2) | 2 | (2) | 2 |
| Salary increase rate | 2 | (2) | 2 | (2) |

17. Share capital

On 26 April 2024, the Annual General Meeting of the Company's shareholders approved the increase of the Company's registered share capital by Baht 22,669,648 from the existing registered share capital of Baht 235,000,000 to Baht 257,669,648 by issuing up to 45,339,296 newly issued ordinary shares, with a par value of Baht 0.50 per share, to accommodate the stock dividend payment as mentioned in Note 25 to the financial statements. After the stock dividend payment, the Company's issued and fully-paid share capital increased from Baht 226,696,481 (453,392,962 ordinary shares of Baht 0.50 each) to Baht 249,366,090 (498,732,180 ordinary shares of Baht 0.50 each).

The Company registered the increase in its share capital with the Ministry of Commerce on 16 May 2024.

18. Warrants

As at 31 December 2023, a total of 15,000,000 warrants (ESOP-W1) remained unexercised. The exercise ratio is 1 unit of warrant per 1.03 ordinary share and the exercise price is Baht 6.797 per share. The warrants have the maturity of 5 years from the issuance date (21 June 2019). The last exercise date of warrant (ESOP -W1) was on 21 June 2024, and 15,000,000 warrants (ESOP-W1) expired without being exercised.

As at 31 December 2024, there are no outstanding warrants.

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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.

20. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------------------------------|-----------------------------------|---------|-------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Salaries, wages and other employee benefits | 267,913 | 310,622 | 227,811 | 259,273 |
| Depreciation and amortisation | 52,305 | 54,827 | 36,227 | 39,562 |
| Advertising and promotion expenses | 281,222 | 258,759 | 247,502 | 210,777 |
| Raw materials and consumables used | 695,337 | 778,328 | 641,023 | 680,413 |
| Purchases of finished goods | 53,983 | 49,213 | 32,422 | 34,729 |
| Changes in inventories of finished goods and work in progress | 14,721 | 39,482 | (2,148) | 43,327 |

21. Income tax

Income tax expenses for the years ended 31 December 2024 and 2023 are made up as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Current income tax: | | | | |
| Current income tax charge | 56,050 | 34,781 | 50,329 | 30,171 |
| Adjustment in respect of income tax of previous year | - | 739 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | (1,738) | 3,306 | (3,252) | 3,250 |
| Income tax expenses reported in profit or loss | 54,312 | 38,826 | 47,077 | 33,421 |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2024 and 2023 are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------------|-----------------------------------|------|-------------------------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| Deferred tax relating to actuarial gain | - | 879 | - | 940 |

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------------------------------|-----------------------------------|-----------|-------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Accounting profit before tax | 180,892 | 99,997 | 66,148 | 176,959 |
| Applicable tax rate | 20% - 25% | 20% - 25% | 20% | 20% |
| Accounting profit before tax multiplied by income tax rate | 3,727 | 22,303 | 13,230 | 35,392 |
| Adjustment in respect of income tax of previous year | - | 739 | - | - |
| Effects of: | | | | |
| Additional expense deductions allowed | (1,607) | (3,278) | (1,607) | (3,278) |
| Non-deductible expenses | 36,222 | 1,333 | 35,454 | 1,307 |
| Unused tax loss | 15,970 | 17,729 | - | - |
| Total | 50,585 | 15,784 | 33,847 | (1,971) |
| Income tax expenses reported in profit or loss | 54,312 | 38,826 | 47,077 | 33,421 |

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------------------------------------------------------|-----------------------------------|----------------|-------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Deferred tax assets | | | | |
| Allowance for expected credit losses | 1,946 | 1,442 | 1,946 | 909 |
| Allowance for diminution in value of inventories | 1,992 | 1,467 | 1,992 | 652 |
| Derivative liabilities - foreign currency forward contact | - | 51 | - | 4 |
| Value of machinery and equipment | 241 | 321 | - | - |
| Allowance for impairment loss on equipment | - | 20 | - | - |
| Lease liabilities | - | 101 | - | 66 |
| Provision for long-term employee benefits | 7,830 | 6,885 | 7,295 | 6,319 |
| Provision for decommissioning | - | 111 | - | - |
| Total | 12,009 | 10,398 | 11,233 | 7,950 |
| Deferred tax liabilities | | | | |
| Value of machinery and equipment | (847) | (995) | - | - |
| Value of intangible assets | (564) | (564) | - | - |
| Right-of-use assets | (22) | - | (31) | - |
| Total | (1,433) | (1,559) | (31) | - |
| Deferred tax assets - net | 10,576 | 8,839 | 11,202 | 7,950 |
| Deferred tax assets (liabilities) presented in the statement of financial position: | | | | |
| Deferred tax assets | 11,705 | 9,989 | 11,202 | 7,950 |
| Deferred tax liabilities | (1,129) | (1,150) | - | - |
| | 10,576 | 8,839 | 11,202 | 7,950 |

As at 31 December 2024, the subsidiaries have unused tax losses totaling Baht 299 million (2023: Baht 309 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow recognised of the unused tax losses. The unused tax losses will expire by year 2029.

22. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares to reflect the impact of the stock dividend as described in Note 25 to the interim financial statements. The prior year's basic earnings per share have been recalculated as if the stock dividend had been distributed at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following tables set forth the computation of basic and diluted earnings per share:

Consolidated financial statements

| | Profit for the year | | Weighted average number of ordinary shares | | Earnings per share | |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|--------------------------------------------|---------------------------|--------------------|----------------|
| | 2024 (Thousand Baht) | 2023 (Thousand Baht) | 2024 (Thousand shares) | 2023 (Thousand shares) | 2024 (Baht) | 2023 (Baht) |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the Company | 119,376 | 55,877 | 498,732 | 498,732 | 0.24 | 0.11 |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants (ESOP-W1) | - | - | - | - | | |
| Diluted earnings per share | | | | | | |
| Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | 119,376 | 55,877 | 498,732 | 498,732 | 0.24 | 0.11 |

Separate financial statements

| | Profit for the year | | Weighted average number of ordinary shares | | Earnings per share | |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|--------------------------------------------|---------------------------|--------------------|----------------|
| | 2024 (Thousand Baht) | 2023 (Thousand Baht) | 2024 (Thousand shares) | 2023 (Thousand shares) | 2024 (Baht) | 2023 (Baht) |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the Company | 19,070 | 143,538 | 498,732 | 498,732 | 0.04 | 0.29 |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants (ESOP-W1) | - | - | - | - | | |
| Diluted earnings per share | | | | | | |
| Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | 19,070 | 143,538 | 498,732 | 498,732 | 0.04 | 0.29 |

The exercise price of the warrants (ESOP-W1) was higher than the average market price of the Company's ordinary shares. Therefore, the Company did not assumed conversion of the warrants in the calculation of its diluted earnings per share in the consolidated and separate financial statements.

23. Share-based payment

The Company recognised the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in the shareholders' equity. The estimated fair value of the share options was calculated by applying the Black-Scholes-Merton formula.

As at 31 December 2024, there are no outstanding warrants. Therefore, the Company transferred the capital reserve for share-based payment transactions under shareholders' equity to unappropriated retained earnings.

24. 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 the president of executive directors.

For management purposes, the Group is recognised into business units based on its products as follows:

- 1) The production and distribution of wood preservative segment
- 2) The production and distribution of insecticide segment
- 3) The production and distribution of cleaning segment

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

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

(Unit: Thousand Baht)

| | 2024 | 2023 |
|---------------------------------|-------|-------|
| Revenue from external customers | | |
| Thailand | 1,522 | 1,558 |
| Overseas | 163 | 152 |
| Total | 1,685 | 1,710 |

For the year 2024, the Group has revenue from two major customers amounting to Baht 737 million (2023: Baht 775 million).

The following table presents revenue and profit information regarding the operating segments of the Group for the years ended 31 December 2024 and 2023:

(Unit: Million Baht)

| | Wood preservative | | Insecticide | | Cleaning | | Others | | Consolidated | |
|-----------------------------------|-------------------|------|-------------|-------|----------|------|--------|------|--------------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues | 115 | 123 | 1,051 | 1,011 | 229 | 252 | 290 | 324 | 1,685 | 1,710 |
| Segment profit | 27 | 31 | 543 | 435 | 82 | 87 | 39 | 57 | 691 | 610 |
| Unallocated income and expenses: | | | | | | | | | | |
| Other income | | | | | | | | | 7 | 6 |
| Selling and distribution expenses | | | | | | | | | (362) | (366) |
| Administrative expenses | | | | | | | | | (152) | (143) |
| Finance cost | | | | | | | | | (3) | (7) |
| Income tax expenses | | | | | | | | | (54) | (39) |
| Profit for the year | | | | | | | | | 127 | 61 |

25. Dividends

On 26 April 2024, the Annual General Meeting of the Company's shareholders approved the dividend payment totaling Baht 25,188,498 to the Company's shareholders. The dividend will be paid in stock dividends and cash dividends as follows:

- The Company will pay the stock dividends by issuing up to 45,339,296 newly issued ordinary shares, with a par value of Baht 0.50 per share, to the Company's shareholders, at the ratio of every 10 existing shares for 1 stock dividend, in the total amount of Baht 22,669,648 or equivalent to the cash dividends at the rate of Baht 0.05 per share.
- The Company will pay cash dividends at the rate of Baht 0.005555556 per share or in the total amount of Baht 2,518,850.

On 26 April 2023, the Annual General Meeting of the Company's shareholders approved the dividend payment of Baht 0.375 per share to the Company's shareholders. Since an interim dividend of Baht 0.125 per share was already distributed to the shareholders in September 2022, the remaining dividend to be distributed is Baht 0.25 per share, or a total of Baht 113.3 million.

26. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rates of 3 - 5 percent of basic salary. The fund, which is managed by an authorised fund manager, will be paid to employees upon termination in accordance with the fund rules. The Group's contributions for the year 2024 amounting to approximately Baht 5 million (2023: Baht 5 million) were recognised as expenses (The Company only: Baht 5 million, 2023: Baht 5 million).

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2024, the Group had capital commitments of approximately Baht 15.5 million (2023: Baht 4.0 million) (The Company only: Baht 14.4 million, 2023: Baht 4.0 million), relating to the construction of factory buildings and acquisition of machinery and equipment.

27.2 Short-term lease commitments and service commitments

The Company has entered into short-term lease agreements in respect of office building space and motor vehicles and various service agreements.

As at 31 December 2024 and 2023, future minimum lease and service payments required under these contracts were as follows:

| (Unit: Million Baht) | | | | |
|--------------------------|-----------------------------------|-------------|-------------------------------|-------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Payable: | | | | |
| In up to 1 year | 6 | 8 | 5 | 6 |
| Over 1 and up to 5 years | 1 | 4 | 1 | 2 |
| Total | <u>7</u> | <u>12</u> | <u>6</u> | <u>8</u> |

27.3 Guarantees

As at 31 December 2024, the Company had outstanding bank guarantees of approximately Baht 1.5 million (2023: Baht 1.5 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company.

28. Fair value hierarchy

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

(Unit: Thousand Baht)

Consolidated financial statements

| | 31 December 2024 | | | | 31 December 2023 | | | |
|-------------------------------------------------------------|------------------|---------|---------|-------|------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Liabilities measured at fair value | | | | | | | | |
| Derivative liabilities - foreign currency forward contracts | - | - | - | - | - | 256 | - | 256 |

(Unit: Thousand Baht)

Separate financial statements

| | 31 December 2024 | | | | 31 December 2023 | | | |
|-------------------------------------------------------------|------------------|---------|---------|-------|------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Liabilities measured at fair value | | | | | | | | |
| Derivative liabilities - foreign currency forward contracts | - | - | - | - | - | 20 | - | 20 |

29. Financial instruments

29.1 Derivatives

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------------------------------|-----------------------------------|------|-------------------------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| Derivative liabilities | | | | |
| Derivative liabilities not designated as hedging instruments | | | | |
| Foreign currency forward contracts | - | 256 | - | 20 |

29.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade receivables, loans, investments, and short-term and long-term loans. 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 receivables, loans and cash at banks, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and loans

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 and loans are regularly monitored.

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 written-off if past due for more than one year and not subject to enforcement activity.

Cash at banks

The Group manages the credit risk from balances with banks by making investments only with approved counterparties. The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising interest rate risk and foreign currency risk. The details are as follows:

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing cash at banks and short-term and long-term borrowings. However, because of most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the Group does not use derivatives to manage its interest rate risk.

As at 31 December 2024 and 2023, 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

| | 2024 | | | | | | Effective interest rate (% per annum) |
|-------------------------------------|----------------------|-----------|--------------|------------------------|-----------------------|-------|------------------------------------------|
| | Fixed interest rates | | | Floating interest rate | Non- interest bearing | Total | |
| | Within 1 year | 1-5 years | Over 5 years | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 405 | 43 | 448 | See Note 7 |
| Trade and other receivables | - | - | - | - | 153 | 153 | - |
| | - | - | - | 405 | 196 | 601 | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 252 | 252 | - |
| Short-term loans from related party | 5 | - | - | - | - | 5 | 3.50 |
| Short-term loans from director | 3 | - | - | - | - | 3 | 3.50 |
| Lease liabilities | 10 | 8 | - | - | - | 18 | 1.45 - 6.98 |
| | 18 | 8 | - | - | 252 | 278 | |

(Unit: Million Baht)

Consolidated financial statements

| 2023 | | | | | | | |
|----------------------------------------------|----------------------|-----------|--------------|------------------------|-----------------------|-------|-------------------------|
| | Fixed interest rates | | | Floating interest rate | Non- interest bearing | Total | Effective interest rate |
| | Within 1 year | 1-5 years | Over 5 years | | | | |
| | | | | | | | (% per annum) |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 280 | 46 | 326 | See Note 7 |
| Trade and other receivables | - | - | - | - | 184 | 184 | - |
| | - | - | - | 280 | 230 | 510 | |
| Financial liabilities | | | | | | | |
| Short-term loans from financial institutions | 150 | - | - | - | - | 150 | See Note 13 |
| Trade and other payables | - | - | - | - | 233 | 233 | - |
| Lease liabilities | 18 | 20 | - | - | - | 38 | 1.45 - 3.32 |
| | 168 | 20 | - | - | 233 | 421 | |

(Unit: Million Baht)

Separate financial statements

| 2024 | | | | | | | |
|--------------------------------------------------------|----------------------|-----------|--------------|------------------------|-----------------------|-------|-------------------------|
| | Fixed interest rates | | | Floating interest rate | Non- interest bearing | Total | Effective interest rate |
| | Within 1 year | 1-5 years | Over 5 years | | | | |
| | | | | | | | (% per annum) |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 321 | 42 | 363 | See Note 7 |
| Trade and other receivables | - | - | - | - | 135 | 135 | - |
| Long-term loans to subsidiary and interest receivables | 327 | - | - | - | - | 327 | See Note 6 |
| | 327 | - | - | 321 | 177 | 825 | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 239 | 239 | - |
| Lease liabilities | 8 | 6 | - | - | - | 14 | 1.45 - 6.98 |
| | 8 | 6 | - | - | 239 | 253 | |

Separate financial statements

| 2023 | | | | | | | |
|--------------------------------------------------------|----------------------|-----------|--------------|------------------------|-----------------------|-------|-------------------------|
| | Fixed interest rates | | | Floating interest rate | Non- interest bearing | Total | Effective interest rate |
| | Within 1 year | 1-5 years | Over 5 years | | | | |
| | | | | | | | (% per annum) |
| Financial assets | | | | | | | |
| Cash and cash equivalents | - | - | - | 233 | 43 | 276 | See Note 7 |
| Trade and other receivables | - | - | - | - | 160 | 160 | - |
| Long-term loans to subsidiary and interest receivables | 436 | - | - | - | - | 436 | See Note 6 |
| | 436 | - | - | 233 | 203 | 872 | |
| Financial liabilities | | | | | | | |
| Short-term loans from financial institutions | 150 | - | - | - | - | 150 | See Note 13 |
| Trade and other payables | - | - | - | - | 217 | 217 | - |
| Lease liabilities | 10 | 15 | - | - | - | 25 | 1.45 - 3.10 |
| | 160 | 15 | - | - | 217 | 392 | |

Foreign currency risk

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

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

Consolidated financial statements

| Foreign currency | Financial assets | | Financial liabilities | | Average exchange rate | |
|-------------------|------------------|-------------|-----------------------|-------------|------------------------------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | - | 1.0 | - | - | - | 34.3876 |
| Australian dollar | - | 1.9 | - | - | - | 23.8717 |

Separate financial statements

| Foreign currency | Financial assets | | Financial liabilities | | Average exchange rate | |
|-------------------|------------------|-------------|-----------------------|-------------|------------------------------------|-------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| US dollar | - | 1.0 | - | - | - | 34.3876 |
| Australian dollar | - | 0.8 | - | - | - | 23.8717 |

As at 31 December 2024, there were no outstanding foreign exchange contracts. However, as at 31 December 2023, the outstanding foreign exchange contracts are summarised below.

Consolidated financial statements

| | 2023 | | | | |
|-------------------|-----------|-----------|------------------------------------|---------------|------------------------------|
| | Bought | Sold | Contractual exchange rate | | |
| Foreign currency | amount | amount | Bought | Sold | Contractual maturity date |
| | (Million) | (Million) | (Baht per 1 foreign currency unit) | | |
| US dollar | 0.15 | - | 35.05 - 35.82 | - | 2 May 2024 - 21 May 2024 |
| Australian dollar | - | 0.05 | - | 22.54 - 22.97 | 9 April 2024 - 29 April 2024 |

Separate financial statements

| | 2023 | | | | |
|-------------------|-----------|-----------|------------------------------------|---------------|------------------------------|
| | Bought | Sold | Contractual exchange rate | | |
| Foreign currency | amount | amount | Bought | Sold | Contractual maturity date |
| | (Million) | (Million) | (Baht per 1 foreign currency unit) | | |
| Australian dollar | - | 0.05 | - | 22.54 - 22.97 | 9 April 2024 - 29 April 2024 |

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of loans from financial institutions and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summaries the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2024 and 2023 based on contractual undiscounted cash flows.

(Unit: Million Baht)

Consolidated financial statements

Non-derivatives

| |
|-------------------------------------|
| Trade and other payables |
| Short-term loans from related party |
| Short-term loans from director |
| Lease liabilities |
| Total non-derivatives |

| 31 December 2024 | | | | |
|------------------|------------------|--------------|-----------|-------|
| On demand | Less than 1 year | 1 to 5 years | > 5 years | Total |
| - | 252 | - | - | 252 |
| 5 | - | - | - | 5 |
| 3 | - | - | - | 3 |
| - | 10 | 9 | - | 19 |
| 8 | 262 | 9 | - | 279 |

(Unit: Million Baht)

Consolidated financial statements

Non-derivatives

Short-term loans from financial institutions

Trade and other payables

Lease liabilities

Total non-derivatives

| 31 December 2023 | | | | |
|------------------|------------------|--------------|-----------|-------|
| On demand | Less than 1 year | 1 to 5 years | > 5 years | Total |
| - | 150 | - | - | 150 |
| - | 233 | - | - | 233 |
| - | 18 | 21 | - | 39 |
| - | 401 | 21 | - | 422 |

(Unit: Million Baht)

Separate financial statements

Non-derivatives

Trade and other payables

Lease liabilities

Total non-derivatives

| 31 December 2024 | | | | |
|------------------|------------------|--------------|-----------|-------|
| On demand | Less than 1 year | 1 to 5 years | > 5 years | Total |
| - | 239 | - | - | 239 |
| - | 6 | 9 | - | 15 |
| - | 245 | 9 | - | 254 |

(Unit: Million Baht)

Separate financial statements

Non-derivatives

Short-term loans from financial institutions

Trade and other payables

Lease liabilities

Total non-derivatives

| 31 December 2023 | | | | |
|------------------|------------------|--------------|-----------|-------|
| On demand | Less than 1 year | 1 to 5 years | > 5 years | Total |
| - | 150 | - | - | 150 |
| - | 217 | - | - | 217 |
| - | 11 | 16 | - | 27 |
| - | 378 | 16 | - | 394 |

29.3 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 Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans, accounts payable and short-term borrowings, their carrying amounts in the statement of financial position approximate their fair value.
- For fixed rate long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

- c) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- d) 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 and yield curves of the respective currencies. The Group considers counter party credit risk when determining the fair value of derivatives.

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

30. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2024, the Group's debt-to-equity ratio was 0.46:1 (2023: 0.73:1) and the Company's debt-to-equity ratio was 0.34:1 (2023: 0.48:1).

31. Events after the reporting period

On 25 February 2025, the Company's Board of Directors' meeting passed a resolution to propose the Annual General Meeting of shareholders approve a dividend payment of Baht 0.125 per share, in the total amount of Baht 62.34 million.


32. Approval of financial statements

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

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | | Education / Seminar | |
|---------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | | Business Type |
| 1. Mr.Somchai Sawasdeepon Chairman of the Board Directors, Chairman of the Audit Committee and Independent Director | 66 | 0 (0.00%) | 2023 - Present | Chairman of the Board Directors, Chairman of the Audit Committee and Independent Director | Sherwood Corporation (Thailand) PCL. | Manufacturer and Distributor of Consumer Non-Food, Industrial, and Consumer Food and Beverage | <ul style="list-style-type: none">• Education<ul style="list-style-type: none">- Advance Management Program, Harvard Business School, Harvard University, MA, USA- Executive Program of Advance Prime Prevention Management, Class of 17, Justice Training Institute, Judicial Training Institute- National Defence Political and Private Sector Participation, National Defence College, National Defence Studies Institute (NDSI)- Certificate of Plant Maintenance Engineering, JICA Scholarship, Japan- Master's Degree of Operation Management, National Institute of Development Administration- Bachelor's Degree of Electrical Engineer, King Mongkut's Institute of Technology Ladkrabang• Seminar<ul style="list-style-type: none">- PDI Class 23, King Prajadhipok's Institute- Advanced Audit Committee Program 37/2020, Thai-IOD- DCP 120/2009, Thai-IOD- E-Government Administrative Potential Strengthen and Development Program (Executive Level in Information Technology) National Electronics and Computer Technology Center (NECTEC)- DAP 63/2007, Thai-IOD |
| | | | 2021 - Present | Consultant | U-Tapao International Aviation Co., Ltd. Provincial Waterworks Authority | Airport Operation | |
| | | | 2020 | Executive Committee | Airport of Thailand PLC. Airport of Thailand PLC. | Government Enterprise producing and service providing related to tap water | |
| | | | 2013 - 2018 2013 | Consultant Level 11 Senior Executive Vice President (Regional Airports) | | Airport management and development Airport management and development | |
| | | | 2012 | Senior Executive Vice President (Engineering and Construction), Acting President | Airport of Thailand PLC | Airport management and development | |
| | | | 2011 - 2012 | Senior Executive Vice President (Engineering and Construction), Acting President and Senior Executive Vice President, General Manager of Suvarnabhumi Airport | Airport of Thailand PLC. | Airport management and development | |
| | | | 2011 | Senior Executive Vice President (Engineering and Construction), Acting President and Company Secretary | Airport of Thailand PLC. | Airport management and development | |
| | | | 2011 | Senior Executive Vice President and Company Secretary | | | |
| | | | 2011 | Senior Executive Vice President and Company Secretary | | | |
| | | | 2011 | Senior Executive Vice President and Company Secretary | | | |

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Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | | Education / Seminar |
|-----------------|----------------|---------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------|
| | | | Period | Position | Company | Business Type |
| | | | 2011 | Senior Executive Vice President (Engineering and Construction) | Airport of Thailand PLC. | Airport management and development |
| | | | 2009 | Senior Executive Vice President, Acting President and Company Secretary | Airport of Thailand PLC. | Airport management and development |
| | | | 2008 - 2011 | Senior Executive Vice President (Engineering and Information Technology and Project Director | Airport of Thailand PLC. | Airport management and development |
| | | | 2007 - 2008 2005 - 2007 | Specialist Level 11 Senior Executive Vice President, General Manager of Suvarnabhumi Airport | Airport of Thailand PLC. Airport of Thailand PLC. | Airport management and development Airport management and development |
| | | | 2004 - 2005 | Senior Executive Vice President (Suvarnabhumi Airport Administrative Preparation) and Suvarnabhumi Airport Construction Project Director | Airport of Thailand PLC. | Airport management and development |
| | | | 2003 - 2004 | Senior Executive Vice President (Administration) | New Bangkok International Airport Co., Ltd. | Government Enterprise carry out construction of new airport |
| | | | 1996 - 2003 | Executive Vice President | New Bangkok International Airport Co., Ltd. | Government Enterprise carry out construction of new airport |

Position in Listed Companies: None

Position in Non-Listed Companies: 1 Company

Competitive Position related to Company's Business: None

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | | Education / Seminar |
|-------------------------------------------------------------------------------|----------------|---------------------------|----------------------------|-------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | |
| 2. Mr. Phillip Chayarak Member Audit Committee and Independent Director | 62 | 0 (0.00%) | 2024 - Present | Member Audit Committee and Independent Director | Sherwood Corporation (Thailand) PCL. | <ul style="list-style-type: none"> • Education <ul style="list-style-type: none"> - Bachelor's Degree of Business Administration Major in Marketing, Prahran College of TAFE Australia |
| | | | 2019 - Present | Chief Executive Officer | Duck Heads Entertainment Co., Ltd. | |
| | | | 2014 - Present | Consultant to Managing Director | Sikarin PCL. | |
| | | | 2011 - Present | Managing Director | Town Branding Co., Ltd. | |
| | | | 2015 - 2018 | Consultant | Triple V Broadcast Co., Ltd. | |
| | | | 2010 - 2014 1994 - 2015 | Consultant Consultant | Index Creative Village PCL. GMM Grammy PCL. | |
| | | | 1993 - 1993 1987 - 1993 | General Manager Co-ownership | House of Jagtar Co., Ltd. Toorak Cowboy Company (Melbourne,Australia) | |
| | | | 1985 - 1987 | General Manager | Cuggi Fashion Store (Melbourne,Australia) | |
| | | | | | Textile Import-Export Shoes and Accessories Store | |
| | | | | | Fashion Store | |

Position in Listed Companies: 1 Company

Position in Non-Listed Companies: 2 Companies

Competitive Position related to Company's Business: None

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | | Education / Seminar |
|-------------------------------------------------------------------------------|----------------|---------------------------|--------------------|-------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | Business Type |
| 3. Mr. Jatsada Awasakul Member Audit Committee and Independent Director | 62 | 0 (0.00%) | 2024 - Present | Member Audit Committee and Independent Director | Sherwood Corporation (Thailand) PCL. | Manufacturer and Distributor of Consumer Non-Food, Industrial, and Consumer Food and Beverage |
| | | | Present | Legal Consultant | Seaborn Logistics & Services Co., Ltd. | Financial Institution |
| | | | 2014 - Present | Managing Director | Phetkasem Law Co., Ltd. | Logistics |
| | | | 2006 - Present | Managing Director | Kritteekorn Law & Accounting Co., Ltd. | Legal Service |
| | | | 1994 - Present | Head of Law Office | Jessada Law Office Co., Ltd | Legal Service |

Position in Listed Companies: None

Position in Non-Listed Companies: 4 Companies

Competitive Position related to Company's Business: None

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | | Education / Seminar |
|-------------------------------------------|----------------|---------------------------|--------------------|---------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | Business Type |
| 4. Dr. Somchai Laohverapanich Director | 70 | 0 (0.00%) | 2022 - Present | Director | Sherwood Corporation (Thailand) PCL. | Manufacturer and Distributor of Consumer Non-Food, Industrial, and Consumer Food and Beverage |
| | | | Present | Director | INSEE Concrete Co.,Ltd. | Manufacture of ready-mixed concrete |
| | | | Present | Director | Insee Ecocycle Co.,Ltd. | Treatment and disposal of non-hazardous waste by other treatments, not elsewhere classified |
| | | | Present | Sub-Committees (Biotech Pilot plant) | Office of National Higher Education Science Research and Innovation Policy Council | Educational Institution |
| | | | Present | Sub-Committees (Biotech Research and Development) | National Science and Technology Development Agency | Educational Institution |
| | | | 2019 - 2022 | Director | Sherwood Corporation (Thailand) PCL. | Manufacturer and Distributor of Consumer Non-Food, Industrial, and Consumer Food |
| | | | 2019 - 2021 | Business Development Consultant | Chia Tai Co., Ltd. | Agricultural products |
| | | | 2016 - 2018 | Assistant to Management of System and Innovation | Charoen Pokphand Foods PCL Group | Agricultural products |
| | | | 2006 - 2015 | Managing Director | Dupont (Thailand) Co., Ltd | Chemical Products |
| | | | 2004 | Marketing Manager | Novartis Animal Health | Researches, develops and commercializes leading animal treatments |
| | | | 1995 | Regional Key Account Coordinator | Novartis (Thailand) Co., Ltd | Wholesale of cosmetics and toilet preparations |
| | | | 1994 | Director and General Manager | Chokchai Dairy Farm Co., Ltd | Dairy Farm, produce and sell milk and cows |
| | | | 1993 | General Manager | Cargill Meats (Thailand) Co., Ltd | Provides food, agriculture, financial and industrial products and services to the world |
| | | | 1981 | Professor | Faculty of Veterinary Science, Chulalongkorn University | Educational Institution |

Position in Listed Companies: None

Position in Non-Listed Companies: 4 Companies

Competitive Position related to Company's Business: None

| Name / Position | Age (years) | % of share-holding | Working Experience | | | Education / Seminar | | | |
|-------------------------------------------------------------------------------|-------------|--------------------|-------------------------------|----------|--------------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | | | Period | Position | Company | | Business Type | | |
| 5. Dr. Narongrit Tangkarawakun Director and Acting Chief Executive Officer | 58 | 0 (0.00%) | 2023 - Present | Director | TOA International Beverages Group Co., Ltd. | Manufactures and markets consumer products | <ul style="list-style-type: none">• Education<ul style="list-style-type: none">- Faculty of Medicine, St. Bartholomew’s and The Royal London School of Medicine and Dentistry, University of London, UK.• Seminar<ul style="list-style-type: none">- Board’s Roles in Purpose-driven Transition (PDT), Thai-IOD- AI 10X Executives Course: Unveiling the Secrets to Choosing the Right AI for Your Business, Real Smart Co., Ltd.- PLUS: People Transformation in Action-Driving Successful Change through People, Caliber Co., Ltd.- AI for Business Leaders Course: Unlocking Business Potential with Artificial Intelligence, Absolute Alliance (Thailand) Co., Ltd.- Training to Enhance Work Efficiency with AI: ChatGPT & Copilot, FTI- Sustain and Carbon Footprint for Packaging 2023, FTI- The Secret Sauce Strategy Forum 2022, The Secret Sauce- DCP 294/2020, Thai-IOD- SBM 8/2020, Thai-IOD- O-War Room 7/2020, Thai-IOD | | |
| | | | 2023 - Present | Director | Hokkaido Morimoto Co., Ltd. | Manufactures and markets product for all food and beverages | | | |
| | | | 2023 - Present | Director | Hokkaido International Franchise Co., Ltd. | Manufactures and markets product for all food and beverages | | | |
| | | | 2023 - Present | Director | TTD Holding Co., Ltd. | Manufactures and markets product for all food and beverages | | | |
| | | | 2023 - Present | Director | Teepol Professional International Co., Ltd | Manufactures and markets product for all cleaning products | | | |
| | | | 2023 - Present | Director | Hokkaido Food and Beverages Sherwood Corporation (Thailand) PCL. | Manufactures and markets product for all food such as milk and syrup | | | |
| | | | 2012 - Present 1994 - 1996 | Director | TKS Chemical Co., Ltd. | Consumer Non-Food, Industrial, and Consumer Food and Beverage | | | |
| | | | | Doctor | BARTS HEALTH NHS TRUST Physician, The Royal London Hospital, London, UK | | | | |
| | | | | Doctor | BARTS HEALTH NHS TRUST Physician, St. Bartholomew’s Hospital, London, UK | | | | |
| | | | 1993 - 1994 | Doctor | Physician, North Middlesex University Hospital NHS Trust, London, UK | National Health Service | | | |
| | | | | Doctor | Physician, Homerton Healthcare NHS Foundation Trust, London, UK | | | | |
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Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | | Education / Seminar |
|-----------------|----------------|---------------------------|--------------------|----------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | |
| | | | | | | <ul style="list-style-type: none"> - FSD 32/2018, Thai-IOD - Transportation Management 2018, PTS Training - Technical Analysis 2017, SET - Qualitative Analysis 2017, SET - Stock Screening 2017, SET - Macro & Industry Analysis 2017, SET - 7 Wastes Reduction, FTPI |

Position in Listed Companies: None
 Position in Non-Listed Companies: 7 Companies
 Competitive Position related to Company's Business: None

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | | Business Type | Education / Seminar |
|-------------------------------------------------------------------------------------------------|----------------|---------------------------|--------------------|---------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | | |
| 6. Mr. Thakerngbol Laobisuddhi Director, Chief Financial Officer and Company Secretary | 48 | 0 (0.00%) | 2021 - Present | Director | Lotto Food (Thailand) Co., Ltd. | Manufacture and Distributor plant- based | <ul style="list-style-type: none"> • Education <ul style="list-style-type: none"> - Master's Degree Business Administration in Finance, University of Exeter, England - Bachelor's Degree Business Administration in Finance, Assumption University • Seminar <ul style="list-style-type: none"> - TLCA CFO CPD "How AI will transform the CFO's role" 8/2024, TLCA - TLCA CFO CPD "ESG Bond 5/2024, TLCA - TLCA CFO CPD "Economic Update for CFO" 2/2024, TLCA - What is the future of the CFO role 6/2023, TLCA - Governance System for Fraud Detection, TLCA RPA (Robotic Process Automation) in finance and Accounting 5/2023, TLCA - Economic Update for CFO 1/2023, TLCA - Disclosure for Analysis of Company Operations (MD&A), TLCA - Restructuring Business for Growth 5/2022, TLCA - PDPA for Accounting and Finance, TLCA - Preparation course to support PDPA enforcement for company secretary, TLCA - Economic Update for CFO 2/2022, TLCA |
| | | | 2018 - Present | Director | Hokkaido Food and Beverages Co., Ltd. | Manufactures and markets product for all food such as milk and syrup | |
| | | | 2017 - Present | Director | Sherwood Chemical Australasia Co., Ltd. | Distributing household and industrial chemicals products | |
| | | | 2004 - Present | Director, Chief Financial Officer and Company Secretary | Sherwood Corporation (Thailand) PCL. | Manufacturer and Distributor of Consumer Non-Food, Industrial, and Consumer Food and Beverage Financial Institution | |
| | | | 2003 - 2004 | Senior Analyst | Industrial Finance Corporation of Thailand (IFCT) | | |

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | Business Type | Education / Seminar |
|-----------------|----------------|---------------------------|--------------------|----------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Period | Position | | |
| | | | | | | <ul style="list-style-type: none"> - Enhancing the quality of financial reports of Thai registered companies No. 1/2022, TLCA - ESG related Financial Innovation 9/2021, TLCA - The modern CFO: Driving Digital Transformation of the Finance and Accounting 8/2021, TLCA - Economic Update for CFO 1/2021, TLCA - CSP 24/2007, Thai-IOD - DCP 93/2007, Thai-IOD |

Position in Listed Companies: None
Position in Non-Listed Companies: 3 Companies
Competitive Position related to Company's Business: None

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (Years) | % of share- holding | Working Experience | | | Education / Seminar |
|----------------------------------------------------------------|----------------|--------------------------------|--------------------|-------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | Business Type |
| 7. Mr. Narin Trisukosol International Sales and Director | 42 | 8,000,000 shares (1.76%) | 2020 - Present | Director | Fast-Mix Co., Ltd. | Manufacture of Concrete |
| | | | 2018 - Present | Director | Hokkaido Food and Beverages Co., Ltd. | Manufactures and markets product for all food such as milk and syrup |
| | | | 2010 - Present | Director and International Sales Director | Sherwood Corporation (Thailand) PCL. | Manufacturer and Distributor of Consumer Non-Food, Industrial and Consumer Food and Beverage |
| | | | 2013 - 2016 | Consultants | Eagle Golf Co., Ltd. | Building rental business |

Position in Listed Companies: None

Position in Non-Listed Companies: 1 Company

Competitive Position related to Company's Business: None

- **Education**
 - Master's Degree of Business Administration, University of Newcastle Australia
 - Bachelor 's Degree of Business Administration Major in Marketing, Assumption University
- **Seminar**
 - DCP 254/2018, Thai-IOD
 - Microsoft Project 2016 Managing Projects

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (years) | % of share- holding | Working Experience | | | Education / Seminar |
|--------------------------------------------------------|----------------|---------------------------|--------------------|-------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | Business Type |
| 8. Mr. Satit Jirakulsomchok Chief Operation Officer | 51 | 0 (0.00%) | 2017 - 2024 | Chief Operation Officer | Sherwood Corporation (Thailand) PCL. | Manufacturer and Distributor of Consumer Non-Food, Industrial, and Consumer Food and Beverage |
| | | | 2015 - 2017 | Director | SJ Engineering and Technology Co., Ltd. | Production and design of machinery and steel structures Steel structure production |
| | | | 2013 - 2015 | Assistant Department Manager Operation | Thai Herrick Co., Ltd. | |
| | | | 2012 - 2013 | General Manager | RC And RC Co., Ltd. | Import and Sell food |
| | | | | | | <ul style="list-style-type: none"> • Education <ul style="list-style-type: none"> - Master's Degree of Energy Management Technology King Mongkut's University of Technology Thonburi - Bachelor's Degree of Chemical Engineering Khonkaen University • Seminar <ul style="list-style-type: none"> - GMP, QAIC Thailand Co., Ltd. - HACCP, QAIC Thailand Co., Ltd. - Halal, The Central Islamic Council of Thailand - Safety Officer for Management level, Top professional And Development Co., Ltd. - SAP, Canadoil Co., Ltd. - 5S, FTPI - Productivity, FTPI - QC 7 tools, FTPI - 7 Wastes, FTPI - Kaizen, FTPI - TQM, FTPI - TPM, FTPI - The Secret Sauce Strategy Forum 2022, The Secret Sauce |

Attachment 1

Information about Directors, Management Team, Controlling Persons CFO, Person Supervising Accounting and Company Secretary as of December 31, 2024

| Name / Position | Age (Years) | % of share- holding | Working Experience | | | Education / Seminar |
|-------------------------------------------------|----------------|---------------------------|--------------------|--------------------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Period | Position | Company | Business Type |
| 9. Mr. Chandeck Pantrakul Accounting Manager | 56 | 0 (0.00%) | 1996 - Present | Accounting Manager | Sherwood Corporation (Thailand) PCL. | <ul style="list-style-type: none"> • Education <ul style="list-style-type: none"> - Bachelor's Degree of Business Administration Ramkhamhaeng University. • Seminar <ul style="list-style-type: none"> - Capital Budgeting in Practical By Excel - Accounting Presentation By Advanced Excel Charts Program |
| | | | 1992 - 1996 | Accounting Officer | The Shell Company of Thailand Co., Ltd. | |

Attachment 2 Information about Directors of SWC's Subsidiaries

As of 31 December 2024

| Name | Subsidiaries | | | |
|-----------------------------|-----------------------------------------|--------------------------------------|---------------------------------------------|---------------------------------|
| | Sherwood Chemical Australasia Co., Ltd. | Hokkaido Food and Beverage Co., Ltd. | Teepol Professional International Co., Ltd. | Lotto Food (Thailand) Co., Ltd. |
| Mr. Prachak Tangkaravakoon | | X | X | X |
| Dr. Narongrit Tangkarawakun | | / | / | |
| Mr. Narin Trisukosol | | / | | |
| Mr. John Broughton Ralph | X | | | |
| Mr. Thakerngbol Laobisuddhi | / | / | | / |
| Mr. Sirinat Chayanan | / | | | |
| Mr. Sitthirat Watcharaporn | | | | / |
| Ms. Kanitta Watcharaporn | | | | / |

Remark: X = Chairman of the Board of Director, / = Director

Attachment **3** Information about Head of Internal Audit and Head of Company's Compliance Department

Head of Internal Audit Information:

Mr. Khamnung Sarisara

Executive Directors, Kandit Advisory Services Co., Ltd

• Education Background

- Bachelor's Degree of Accountancy (B.Acc.), Ramkhamhaeng University

• Certificate

- Internal Audit: Operation Audit, The Institute of Internal Auditors of Thailand
- Internal Audit: Risk Management, The Institute of Internal Auditors of Thailand
- Internal Audit: Internal Auditing Certification Training, The Institute of Internal Auditors of Thailand
- Director Accreditation Program, Thai Institute of Directors (IOD)
- Advanced Audit Committee Program, Thai Institute of Directors (IOD)
- HRP - How to Develop a Risk Management Plan, Thai Institute of Directors (IOD)
- IPPF 2024, CIA Coach Consulting Co., Ltd
- 3 in 1 for IA 4.0 IPPF 2024 / ESG & PDPA, CIA Coach Consulting Co., Ltd.

• Working Experience in the Past 5 Years

2018 - Present: Executive Directors, Kandit Advisory Services Co., Ltd.

Head of Company's Compliance Information:

Mr. Thakerngbol Laobisuddhi

Head of Company's Compliance, Company Secretary and Chief Financial Officer,
Sherwood Corporation (Thailand) PCL.

• Education Background

- Master's Degree of Business Administration in Finance, University of Exeter, England
- Bachelor's Degree of Business Administration in Finance, Assumption University

• Certificate

- TLCA CFO CPD "How AI will transform the CFO's role" 8/2024, Thai Listed Companies Association (TLCA)
- TLCA CFO CPD "ESG Bond 5/2024, Thai Listed Companies Association (TLCA)
- TLCA CFO CPD "Economic Update for CFO" 2/2024, Thai Listed Companies Association (TLCA)
- What is the future of the CFO role 6/2023, Thai Listed Companies Association (TLCA)
- Governance System for Fraud Detection, Thai Listed Companies Association (TLCA)
- RPA (Robotic Process Automation) in finance and Accounting 5/2023, Thai Listed Companies Association (TLCA)
- Economic Update for CFO 1/2023, Thai Listed Companies Association (TLCA)
- Disclosure for Analysis of Company Operations (MD&A), Thai Listed Companies Association (TLCA)
- Restructuring Business for Growth 5/2022, Thai Listed Companies Association (TLCA)
- PDPA for Accounting and Finance, Thai Listed Companies Association (TLCA)
- Preparation course to support PDPA enforcement for company secretary, Thai Listed Companies Association (TLCA)
- Economic Update for CFO 2/2022, Thai Listed Companies Association (TLCA)
- Enhancing the quality of financial reports of Thai registered companies No. 1/2022, Thai Listed Companies Association (TLCA)
- ESG related Financial Innovation 9/2021, Thai Listed Companies Association (TLCA)
- The modern CFO: Driving Digital Transformation of the Finance and Accounting 8/2021, Thai Listed Companies Association (TLCA)
- Economic Update for CFO 1/2021, Thai Listed Companies Association (TLCA)
- CSP 24/2007, Thai Institute of Directors (Thai-IOD)
- DCP 93/2007, Thai Institute of Directors (Thai-IOD)

• Working Experience in the Past 5 Years

2022 - Present: Director, Lotto Food (Thailand) Co., Ltd.

2018 - Present: Director, Hokkaido Food and Beverages Co., Ltd.

2017 - Present: Director, Sherwood Chemical Australasia Co., Ltd.

2004 - Present: Head of Company's Compliance, Company Secretary and Chief Financial Officer, Sherwood Corporation (Thailand) PCL.

Assets Used in Operations

The main fixed assets as of December 31, 2024 were as follows:

Unit: Baht

| Type / Characteristic of Asset | Proprietary Nature | Book Value | Obligation |
|----------------------------------------------------------------------------------------------------------------|--------------------|----------------|------------|
| 1 plot of land where the factory is located in Bang Pakong, Chachoengsao Area: 9 rai 3 ngan 93 square wa | Ownership | 33,940,500.00 | None |
| 1 plot of land where the factory is located in Bang Pakong, Chachoengsao Area: 18 rai 51 square wa | Ownership | 80,000,500.00 | None |
| Factory Building No. 1 in Bang Pakong, Chachoengsao | Ownership | 15,972,977.28 | |
| Factory Building No. 2 in Ong Pakong, Chachoengsao | Ownership | 75,444,238.03 | |
| Factory Building No. 3 in Bang Bo, Samutprakan (additional section) | Ownership | 13,607,175.72 | |
| Factory Building No. 4 in Bang Yai, Nonthaburi (additional section) | Ownership | 425,822.16 | |
| Machinery and factory equipment, Chachoengsao | Ownership | 64,005,296.96 | |
| Machinery and factory equipment, Samutprakan (HFB) | Ownership | 12,822,649.77 | |
| Machinery and factory equipment, Nonthaburi | Ownership | 3,872,543.89 | |
| Vehicles, Chachoengsao | Ownership | 746,459.36 | |
| Vehicles, Samutprakan (HFB) | Ownership | 2.00 | |
| Vehicles, Nonthaburi | Ownership | 3.00 | |
| Office Equipment and furniture, Chachoengsao | Ownership | 9,319,381.02 | |
| Office Equipment and furniture, Samutprakan (HFB) | Ownership | 3,952,379.93 | |
| Office Equipment and furniture, Nonthaburi | Ownership | 2,379,699.89 | |
| Office Equipment and furniture, Samutprakan (LOTTO) | Ownership | 0.00 | |
| Assets during the Chachoengsao installation | | 4,681,724.31 | |
| Assets during the Samutprakan (HFB) installation | | - | |
| Estimated demolition cost Samutprakan (HFB) | | 633,336.10 | |
| Total Property, Plant and Equipment -Net | | 321,804,689.42 | |

Attachment **5** Full Text of Corporate Governance and Code of Conduct Handbook (on website)

The Company has released such handbook on its website, you can access:

- www.sherwood.co.th Click “Investor Relations”



“Corporate Governance”



“Corporate Governance Policy”

- www.sherwood.co.th Click “Investor Relations”



“Corporate Governance”



“Code of Conduct”

Attachment 6 Report of the Audit Committee

The Board of Directors of Sherwood Corporation (Thailand) Public Company Limited resolved in the appointment of the Company's Audit Committee which consists of two individual - Mr. Somchai Sawasdeepon , Chairman of Audit Committee, Mr. Phillip Chayarak and Mr. Jatsada Awasakul, Member of Audit Committee. Each of the Committee are independent director.

In 2024, the Audit committee held 4 meetings among committee members, and higher management in the areas of accounting and finance, internal audit, and accounting audit. The issues of discussion are as follows:

The Audit Committee has reviewed financial statement on a quarterly basis and annual financial report for the year 2024 of the Company prior to submitting the document to ensure the financial report is conducted in accordance with generally accepted accounting standard. This only includes a proper, adequate, timely release of financial information, through cooperative meeting among accounting audit, management, accounting department, and internal audit team to consider financial report on quarterly basis and annual financial report to enquire complete, correct, and proper openness, as well as the adjustment of item that might affect the financial report in an important way.

The Audit Committee has undertaken the review of financial and accounting review jointly with accounting audit, management, accounting and financial department, internal audit team to review accounting policy and practices, estimation, and determination of business key index to allow a measurable operating outcomes in a clearer manner.

The Committee has reviewed the operational audit plan for the year 2024. The Committee acknowledged and recommended guideline to solve the weak spot in internal control system to allow better and more effective internal audit. The Committee also jointly reviewed the plan for annual audit for the year 2025 which determined the risk that may occur and could directly affect financial statement and the Company's operation.

The Audit Committee agreed that the preparation and exposure of Company's financial information are correct, complete and reliable. The Company has also performed in accordance with regulations stipulated by authority. Moreover, the Company's internal control system has no items that may be affected significantly and all mentioned matters have already been reported to the Company's Board of Directors.

The Audit Committee considered the independence, performance, competency, experience in auditing, value added service, and the competitiveness of the audit fee of the auditors of EY Office Limited, the Audit Committee recommended the following auditors of EY Office Limited to be the Company's external auditor for the year 2025 in order to provide audit and advice with respect to the Company's financial statements for the period ending on 31st December 2025:

- (1) Mr. Termphong Opanaphan (Certified Public Accountant No.4501)
(with 0 year of Company's audit experience) or
- (2) Miss Manee Rattanabunnakit (Certified Public Accountant No.5313)
(with 0 year of Company's audit experience) or
- (3) Ms. Kunlapee.Piyawannasuth (Certified Public Accountant No.6137)
(with 0 year of Company's audit experience)
- (4) Mr. Pornanan Kitjanawanchai (Certified Public Accountant No.7792)
(with 0 year of Company's audit experience)

Any of the above auditors can conduct an audit and express an opinion on the Company's financial statements.

(Mr. Somchai Sawasdeepon)
Chairman of Audit Committee

(Mr. Phillip Chayarak)
Member of Audit Committee

(Mr. Jatsada Awasakul)
Member of Audit Committee

Attachment **7** Report of the Board of Directors Responsibilities for Financial Statements

The Company board is responsible for financial statement of Sherwood Corporation (Thailand) Public Company Limited including financial information presented in an annual report. The financial statements have been prepared in conformity with generally accepted accounting principles. The Company chooses the most appropriated accounting practice and uses it as a standard practice. The practice is ensured an ample extent to which information disclosed for the benefit of shareholders and investors.

The Company board organizes all effective risk management system and internal control system. This is to ensure accuracy, completeness, and sufficient information of the financial statement and to prevent any corruption.

The Company board has appointed an Audit Committee to responsible for an auditing process both for financial statements and for internal checking and monitoring. This, in another way, is to have a risk management system. The Audit Committee's report is presented in the annual report.

The Company's financial statements have been audited by the EY Office Limited. Along the auditing process, the Company gave a full support or required documents. The auditor's report on auditing matter is presented in the annual report.

The Company board considers that the internal control is in satisfying level and is able to guarantee that financial statements of Sherwood Corporation (Thailand) Public Company Limited as of December 31, 2024 are credible according to accounting standards, and related law and regulations.

(Mr. Somchai Sawasdeepon)
Chairman of the Board of Directors

(Mr. Narongrit Tangkarawakul)
Acting Chief Executive Officer



Sherwood Corporation (Thailand) Public Company Limited
1065 Srinakarin Road, Suanluang, Suanluang, Bangkok 10250