

Farmhouse®





ขนมปัง

батเตอร์สก็อต

#ฟินไม่หยุดชดไม่อยู่



01

“Farmhouse’s Butterscotch Bread”

#Fin Mai Yood Chud Mai yuu

Fragrant, sweet, with butter and caramel
blended together to create a rich butterscotch
Eat deliciously without better or jam.







สั่งเลย!
ADDLINE 
@farmhousethai



Butterscotch Bread



Raisin Bread



Choco Banana Cake



Ovaltine Crunchy Filled Dorayaki



Ovaltine Crunchy Filled Hot Dog Bun



Salad Dressing And Shredded Pork Filled Hot Dog Bun



Butter Cookies Mocha Almond



Loaf Chocolate Chip Raisin Cocoa Bread



Loaf Raisin Bread



Coffee Custard Filled Donut Cake

“Farmhouse” A leader in the production and distribution of quality standards bread and bakery as well as developing new products and services. Variety of flavors, fresh fragrance every day. There is also a delivery service that can be delivered to your home, convenient and safe to give consumers more choices.

AWARDS

The company received **“World Branding Awards 2021–2022”** category Bread & Bakery and **“No.1 Brand Thailand 2020–2021”**, the most popular brand in Thailand in the category of bread for the 4th consecutive year. Emphasizes the quality of clean, fresh products that have won the hearts of consumers for more than 39 years.



World Branding Awards 2021–2022



No.1 Brand Thailand 2020–2021



Thailand Zocial Awards 2021 (Finalist)



๐๕. Quality Award





Contents

6	Financial Highlights
8	Message from the Board of Directors
10	Measure to Control the Spread of COVID-19
11	Board of Directors
12	Board of Independent Director and Audit Committee
13	Section 1 Business Operations and Performance
13	1. Structure and Business Operations
44	2. Risk Management
51	3. Driving Business for Sustainability
54	4. Management Discussion and Analysis : (MD&A)
64	5. General Information and Other Important
66	Section 2 Corporate Governance
66	6. Corporate Governance Policy
82	7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others
101	8. Report on Key Performance in Corporate Governance
114	9. Internal Control and Connected Transactions
120	Section 3 Financial Statements
120	Report of The Board of Directors' Responsibilities For Preparation of Financial Statement For The Year 2021
121	Independent Auditor's Report
125	Financial Statements
174	Attachment 1 Details of Directors, Executives, Company Secretary and those who are directly responsible for accounting supervision as of 31 December 2021
193	Attachment 2 Details of Directors and Subsidiaries
194	Attachment 3 Details about The Person Holding The Internal Audit Position
195	Attachment 4 Assets Used in Business and Details of Property Appraisal
196	Attachment 5 Good Corporate Governance Principles
221	Attachment 6 Report of the Audit Committee for the Year B.E. 2021

Financial Highlights

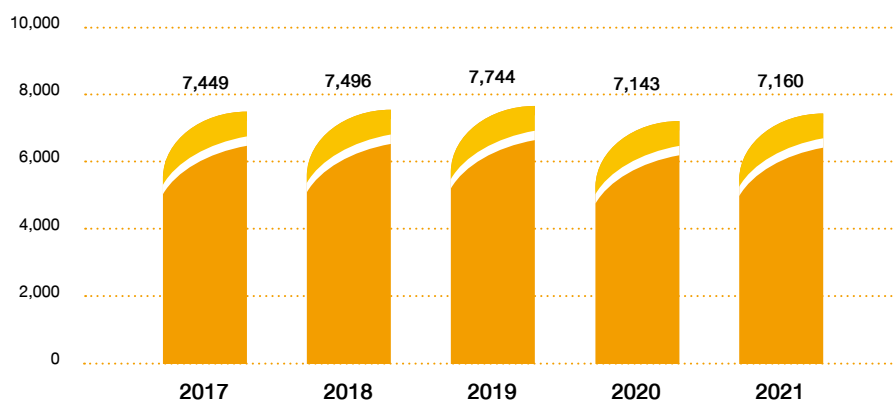
Financial Statements in which the equity method is applied

	2021	2020	2019
Financial Status (Million Baht)			
Total Assets	11,234.20	10,298.89	9,480.09
Total Liabilities	1,093.73	1,049.02	1,110.72
Total Shareholders' Equity	10,140.47	9,249.87	8,369.37
Performance (Million Baht)			
Total Sales	7,159.94	7,143.48	7,743.97
Total Revenues ^{/2}	7,207.61	7,185.94	7,784.28
Cost of Sales	3,773.53	3,742.85	4,143.42
Profit for the year	1,687.67	1,678.67	1,700.74
Financial Ratio			
Gross Profit Margin (%)	47.30	47.60	46.49
Net Profit Margin (%)	23.42	23.36	21.67
Return on Equity (%)	17.41	19.05	21.54
Total Assets Turnover (times)	0.67	0.73	0.86
Return on Assets (%)	59.97	49.37	53.82
Stock Data (Baht)			
Par Value per Share	1.00	1.00	1.00
Book Value per Share	22.53	20.56	18.60
Basic Earnings per Share	3.75	3.73	3.78
Dividend per Share	*** ^{/1}	1.90	1.90
Number of Share (Million Shares)	450	450	450

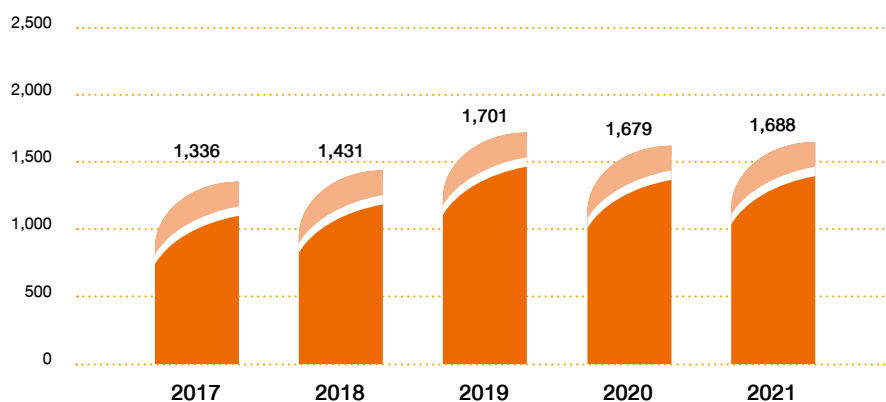
^{/1} interim dividend for the operating results during the first half-year at the rate of Baht 0.84 per share Such interim dividend was paid by the profit gained from BOI-promoted business.

^{/2} Total Revenues excluded Share of profit from investment in joint venture and finance income.

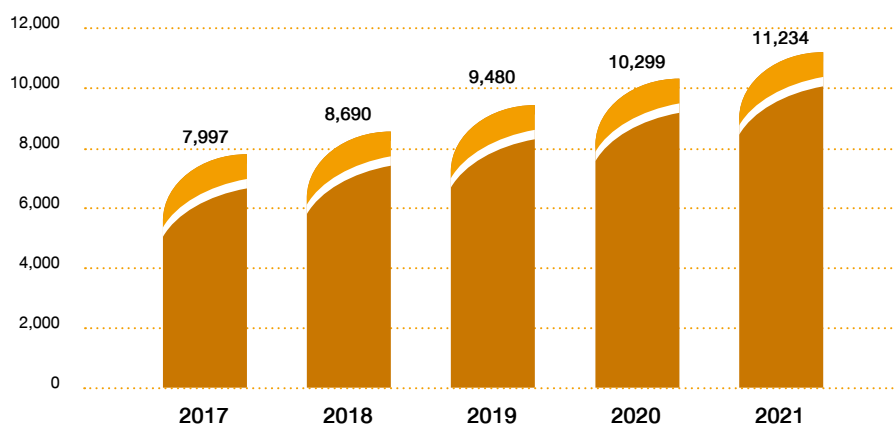
Total Sales (Million Baht)



Profit For The Year (Million Baht)



Total Assets (Million Baht)



Message from the Board of Directors



08

In the past year of 2021, the world has to face the COVID-19 pandemic, which continued its effects from 2020, in terms of economics, social, public health and other areas, as well as in Thailand. Thailand has implemented the lockdown measures in order to control the spread of the disease, causing the economy to halt, service business and some of the trades had to be stopped. The new normal way of life was invented. People refrain from leaving their homes and has adjusted to the work from home. Teaching has changed to online based. Merchandise trading has changed to online delivery. However, the Company has prepared itself to deal with the rapid changes of the situation, by focusing more on selling products through the Farmhouse

Delivery model, which is selling products through the ONLINE system, and delivering the products by the Company' own vehicle, resulting in the Company has no problem with leftover or delayed products. In order to reducing the exposure of touching, the Company has emphasized the payment method for the customers to be through QR CODE when selling on cash, and through bank transfer when selling on credit. For the payment of creditors, the Company pushes for the use of bank transfer instead of using checks, in order to reduce the use of paper and save travel time. In regard of working, the Company has prepared a system to support working from home and hold a conference via electronic media. The Company also

closely monitored the news in order to plan the procurement and find multiple vendors to prevent the supply chain problems. Moreover, the Company has organized a cleaning system to prevent the spread of COVID-19 in the manufacturing sector and transportation, in order to make consumers to have confidence in the cleanliness and safety of the products according to the Measure to Control the Spread of COVID-19, which is a measure that the Company is aware of and gives great importance.

As for the overall operation in 2021, the Company had the sales of 7,159.94 million baht, an increase of 16.46 million baht from 2020 or 0.23%. The Company still maintains the sales from decreasing under the COVID-19 situation and had a net profit of 1,686.15 million baht, accounting for 23.55% of sales, which increased by 0.53% from 2020 due to management and sales planning, as well as cost and expense efficiency management, even though the Company had faced with the problem of price increase of the raw materials in the production of products and fuel for transportation.



(Mr. Pipat Paniangvait)
Chairman of the Board

Amid the continuation of the COVID-19 pandemic situation, the digital technology still continues to develop rapidly and having more active role in business and people's daily life. As a result, the Company has to overcome this challenge in order to lead the business forward and steadily. To reduce the impact of digital disruption, the Company proactively adjusts its strategies and develops the organization by planning to implement the digital transformation into the business operations. In addition, the Company continues to develop more flavors and types of new products, by focusing on the quality and freshness of the products according to the slogan "We Made Fresh Daily" which is what the Company always adheres to, in order to provide customers with quality products that are beneficial to their health.

The Board of Directors would like to thank the customers, shareholders, trade partners, various agencies and all benefactors who have trusted and continuously supported the Company's business. We also would like to thank the managements and all employees who have been a part of the success, by devoting full strength and knowledge to perform the duties in order for the Company to sustainably grow.



(Mr. Apichart Thammanomai)
Vice Chairman of the Board and Managing Director

Measure to Control the Spread of COVID-19

The Company recognizes the great importance of the prevention of the current COVID-19 pandemic. Therefore, the “Control, Care, and Prevention” measures have been established to ensure that the Company’s employees are safe regarding their health, by being particularly strict in terms of production and delivery processes, so that the products releasing to the market are clean and safe for consumers.

The Measures and Practices are as follows:

1. Before entering the factory, screening is arranged for all employees, including visitor at the entrance of the factory. All must wash their hands with soap, spray with alcohol and have their temperature check. For the transport and office areas, handwashing must be done with alcohol and walk through carpets with shoe disinfectants before entering the area.

2. All employees must wear masks at all times and make distancing while working. The Company also provides the work from home option as well as online video conference to reduce traveling and group gatherings.

3. Ask employees for cooperation to avoid traveling into high risk areas and refrain from traveling across provinces. If there is a need to travel, employees must test themselves with ATK kit and show the results before returning to work.

4. If any employee is suspected of being infected with COVID-19 or has been in close contact with an infected person, employees must immediately notify the Company and quarantine immediately.

5. Spray disinfectant and continually clean the area as well as provide weekly ATK kits for employees.

In this regard, the Company has continually invested its budget in preventing COVID-19 in all aspects, by providing basic protective equipment to employees, such as masks, alcohol spray, medical gloves, ATK test kits and other equipment necessary for the prevention of infectious diseases. The Company also supports and encourages all employees to receive at least 2 vaccinations. In 2021, 95.6% of employees have received 2 vaccinations. The Company shall provide employees with the 3rd and 4th dose of vaccinations later.

In addition, the Company had also publicized the news and knowledge regarding COVID-19 both from outside and inside the Company for employees to acknowledge regarding the spread of the disease, high risk areas, number of people infected with COVID-19, practices and measures from the government or various agencies, etc. All this to enable employees to be able to cope with rapidly changing situations, as well as informing the situation within the organization, methods for controlling and preventing the spread of disease to the top executives and the Board of Directors in a timely manner for them to set management guidelines that suits the changing situations.

The aforementioned measures, the Company has always complied along with rigorous practices. As a result, the Company effectively controlled the spread of COVID-19 within the organization, without interrupting the work especially in production and transportation, resulting in “Farmhouses” products being constantly available in the market, and consumers can have confident in the quality of products that have been available for more than 40 years.

Board of Directors



Mr. Pipat Paniangvait
Chairman of the Board



Mr. Apichart Thammanomai
Vice Chairman of the Board
and Managing Director



Mr. Apisate Thammanomai
Vice Managing Director



Mr. Vichai Kulsomphob
Director



Ms. Petcharat Anantawichai
Director and Senior Management,
Accounting Dept. and Finance Dept. Manager /
Company Secretary



Ms. Panida Prayottaweekij
Director
and Senior Production Manager



Dr. Pojjanee Paniangvait
Director



Mr. Pun Paniangvait
Director



Ms. Saipin Kittipornpimol
Director
and Assistant Managing Director



Ms. Ubolluck Luevoravinyu
Director
and Assistant Managing Director



Prof. Dr. Teravuti Boonyasopon
Chairman of Independent Director
and Chairman of Audit Committee



Mr. Wattanachai Chotechutrakul
Independent Director
and Audit Committee

Board of Directors



Prof. Piyamirt Sritara
Independent Director



Mr. Thanapich Mulapruk
Independent Director
and Audit Committee



Mrs. Aim-On Pathumarak
Independent Director
and Audit Committee

Board of Independent Director and Audit Committee

12



Prof. Dr. Teravuti Boonyasopon
Chairman of Independent Director
and Chairman of Audit Committee



Mr. Wattanachai Chotechutrakul
Independent Director
and Audit Committee



Prof. Piyamirt Sritara
Independent Director



Mr. Thanapich Mulapruk
Independent Director
and Audit Committee



Mrs. Aim-On Pathumarak
Independent Director
and Audit Committee

Section 1 Business Operations and Performance

1. Structure and Business Operations

1.1 Policy and Business Overview

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

At present, the Company has 3 factories, 2 factories are located at Ladkrabang Industrial Estate with a total area of 18 Rai 3 Ngan and the Bang Chan factory located at Bang Chan Industrial Estate with a total area of 12 Rai 2 Ngan 57 Square Wa. The main business is the production and distribution of bread and bakery which is the sale of products under the Company's trademark to traditional retailers (Traditional Trade) and modern retailers (Modern Trade), by selling in the form of outright sale. When delivering new products, the Company will replace the old product that the retailers did not sell in order to manage the freshness of the products. The Company has a bakery retail business by selling products under the Company's trademark, through its own retail stores and by customers' demand. The Company also sells made-to-order products to fast food restaurants and convenience stores.

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

1. Wholesale bakery business. The selling products are such as sliced breads, burger buns, hot dog buns, ready-to-eat bread such as stuffed bread, instant sandwiches, cakes and other bakery products. The products are distributed under "Farmhouse" trademark and Farmhouse Vending Machine.
2. Retail bakery business. The selling products are such as bakeries sold in DeliYa by Farmhouse, cakes by Madame Marco, Good Morning Farmhouse (sandwich selling franchise) and Farmhouse's mooncakes.
3. Fast food business and restaurants. The selling products are such as burger buns, hot dog buns, sliced breads, French breads, croissants, biscuits and pizza dough. These products are being sold to restaurants such as McDonald's, KFC, Pizza Hut, Burger King, Chester's Grill, The Pizza Company, Sizzler, Dairy Queen, Moss Burger, Santa Fe, Jeffer Steak and S&P, etc., as well as fried products such as breadcrumbs.
4. Export business is producing products for export in the form of frozen products.

1.1.1 Vision, Mission and Corporate Values

The Board of Directors participated in the endorsement of the vision and mission of the Company. In order to operate in accordance with the vision and mission that has been laid, the management has appointed a Strategic Planning Working Group to formulate a



Vision

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



Mission

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



Core Values

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

Farmhouse Core Values

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

consolidated strategic plan of the Company, and prepare a strategic plan for each department, which will be a guideline for operation as well as establishing a system for monitoring, improving and evaluating the operating results in comparison with the plans and the specified budget, in order to maximize the value to the Company with the vision and mission as follows:

Objectives and Long-term Goals in Business Operations

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

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

1.1.2 Major Changes and Developments

Significant developments in the past 3 years

Year 2019

Investment

On 17 September 2019, the Board of Directors Meeting has resolved to approve the Company to purchase investments in the ordinary shares of Saha Capital Tower Company Limited, a company engaged in rental and development of real-estate business, amounting to 2,000,000 shares at a par value of 100 baht per share, amounting to 200 million baht, or equivalent to 10% of the investments.

In 2019, the Company bought 2 plots of land in Bangkok and in other province to use as distribution centers in place of the original location which was a rental, in order to increase the area to distribute products to consumers quickly and timely. In addition, it is to have sufficient parking spaces for transporting vehicles. As a result of the gradual purchase of land to build distribution centers, as of the end of 2019, the Company has 16 distribution centers on the Company's land and 24 other leased locations, a total of 40 locations. Moreover, the Company invested in 2 more personal funds to diversify the investments.

Information Technology

In 2019, the Company focuses on increasing the efficiency of the administration and internal management. As a basis for developing an organization in the 4.0 era, the Company has provided e-document software to manage the Company's document system in the form of E-document as well as electronic document approval, which will enable relevant agencies to track important documents that need to be approved in time of any situations and changes, in order to meet with the needs of customers in a timely

manner. There are also software improvements in regards to the freight vehicle management to help manage trucks and sales vehicles more efficiently, as well as to manage and control the cost of maintenance and fuel better.

Information Technology

The Company is aware of the safety of sharing the road in society and, therefore, takes measures to reduce accidents. There has been an improvement in the installation of a new GPS in the transport vehicle from the factory to the distribution center. This new modern GPS allows the Company to monitor driving at all times, control the speed of driving so as not to exceed the limit, and check for malfunctions while driving in order to prevent accidents that may occur. As a result, the Company is able to save fuel and reduce transportation costs. In addition, the Company has improved an order program on tablets of salespersons to support Promptpay payment with dynamic QR codes.

Year 2020

Investment

The Company has a policy to develop the distribution centers (DC) to have more working space and distribute products to consumers quickly and in a timely manner, as well as having enough parking spaces for transporting vehicles by gradually buying land in Bangkok and other provinces to build distribution center buildings. As of the end of 2020, there are 16 distribution centers completed on the Company's land, 4 are under construction, and 20 leased locations, a total of 40 locations. The Company will gradually buy land to build distribution centers instead of renting according to the laid out policy.

In 2020, the Company has invested in ordinary shares of XET Company Limited, a company that operates in international school business with the name of "King's College International School Bangkok", amounting to 100,000 shares with a par value of 100 baht per share, totaling 10,000,000 baht, accounting for investment in 0.72% of the paid-up capital of the said company. The first semester started in September 2020, which received great feedback from students, parents and social media platforms.

Information Technology

In 2020, the Company has introduced software and hardware to increase the potential of important business operations as follows:

Sales and delivery. The Company has added the customer information collection about locations, coordinates, product sorting patterns, to increase efficiency of shipping management to be fast and reduce delivery costs. The Company has also developed a digital marketing system to comply with the new normal way of life during the COVID-19 situation.

Productions. The Company has developed the factory to be a Smart Factory by using Industry 4.0 principles to increase the potential and efficiency in the production process, control and inspection to reduce problems and losses from the production process.

Raw material control. The Company has updated the checking program to be up-to-date by using a tablet device to count the back stock of raw materials and equipment for the speed and to reduce the management time of raw material inventory management.

Year 2021 Investment

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

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

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

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

Information Technology

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

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

General Information

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

1.2 Nature of Business

1.2.1 Revenue Structure

Product / Services	2021		2020		2019	
	Thousand	%	Thousand	%	Thousand	%
1. Wholesale Bakery Business	6,609,760.67	91.71	6,576,061.75	91.51	7,076,374.55	90.91
1.1 Sliced Bread	3,646,529.07	50.59	3,461,038.71	48.16	3,328,459.36	42.76
1.2 Burger Bun and Hot Dog Bun	85,993.18	1.19	59,817.57	0.83	57,319.18	0.74
1.3 Snack Bread	1,718,864.27	23.85	1,961,542.44	27.30	2,447,956.65	31.45
1.4 Snack Cake	907,353.83	12.59	862,872.47	12.01	1,033,087.56	13.27
1.5 Sweet Bakery and Confectionery	251,020.32	3.48	230,790.56	3.21	209,551.80	2.69
2. Retail Bakery Business	97,860.10	1.36	107,276.06	1.49	126,345.06	1.62
2.1 Deliya	20,223.40	0.28	19,028.64	0.26	30,445.95	0.39
2.2 Madame Marco	77,636.70	1.08	88,247.38	1.23	95,899.07	1.23
3. Fast Food & Catering	427,959.21	5.94	443,099.08	6.17	527,917.52	6.78
3.1 Fast Food & Catering	383,168.75	5.32	399,488.62	5.56	481,381.51	6.18
3.2 Fried Products	44,790.46	0.62	43,610.46	0.61	46,536.01	0.60
4. Export Business	24,357.31	0.34	17,040.24	0.24	13,335.84	0.17
Total Revenues from Core Business	7,159,937.29	99.34	7,143,477.08	99.41	7,743,972.93	99.48
5. Other Income	47,675.20	0.66	42,459.65	0.59	40,309.69	0.52
Total Revenues	7,207,612.49	100.00	7,185,936.74	100.00	7,784,282.62	100.00

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

1.2.2 Nature of Products and Services and Innovation Development

Business and Production Line



Wholesale

Sliced Bread
▼
Burger Buns and Hotdog Buns
▼
Snack Bread
▼
Snack Cake
▼
Confectionery
▼
Farmhouse Vending Machine
▼
Farmhouse Delivery
▼
Good Morning Farmhouse



Retail

Deliya
▼
Madame Marco



Fast Food and Catering

Fast Food
▼
Catering
▼
Fried Product



Export

1. Wholesale Bakery Business

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

Hypermarkets such as Lotus, Big C, Makro, etc.

Department stores such as Tang Hua Seng, local department stores, etc.

Supermarkets such as The Mall, Tops, Foodland, MaxValu, etc.

Convenient stores such as 7-eleven, Lotus's Go Fresh, Central FamilyMart, Lawson 108, Mini Big C and CJ EXPRESS etc.

Stores in various gas stations such as Jiffy, Bangchak, PT Max Mart, Shell Select, etc.

Traditional retail stores such as ubiquitous small shops, including shops within schools, factories and welfare shops in various government offices, etc.

Products Sold in the Wholesale Bakery Business are as follows:

1.1 Sliced Bread

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

(1) White Bread

White bread is a group of sliced bread with white texture, made from 100% unbleached wheat flour. It is an ideal product suitable for all genders and ages and can be used to cook a variety of dishes at any time. The products in this group are 480 grams of Sliced Bread, 240 grams of Sliced Bread, 220 grams of Sliced Bread, 275 grams of Royal Bread, and 240 grams of Hokkaido Milk flavoured Sliced Bread.



(2) Grain Bread

Grain bread is a type of bread that contains various grains, to increase the nutritional value. This is in line with the lifestyle of Thai people who are increasingly interested in their health. Especially, the selection of food products that are useful for consumption. Products in this group are 500 grams of Whole Wheat Bread, 250 grams of Whole Wheat Bread, and 250 grams of Finely Milled Whole Wheat Bread, suitable for children and health-conscious customers, but do not like the texture of the original whole wheat bread. This makes it easier for them to consume whole wheat bread. There are also Royal Whole Wheat, 285 grams of thick sliced whole wheat bread, Royal 12 Grain, thickly sliced soft 285 grams with 12 kinds of grains bread, full of various grains and benefits from the special tasty formula. Lastly, Royal sprouted grain, a 280

grams of soft various grain bread mixed with sprouted grain, which also received the symbol of Healthier Choice.

(3) Flavored Bread

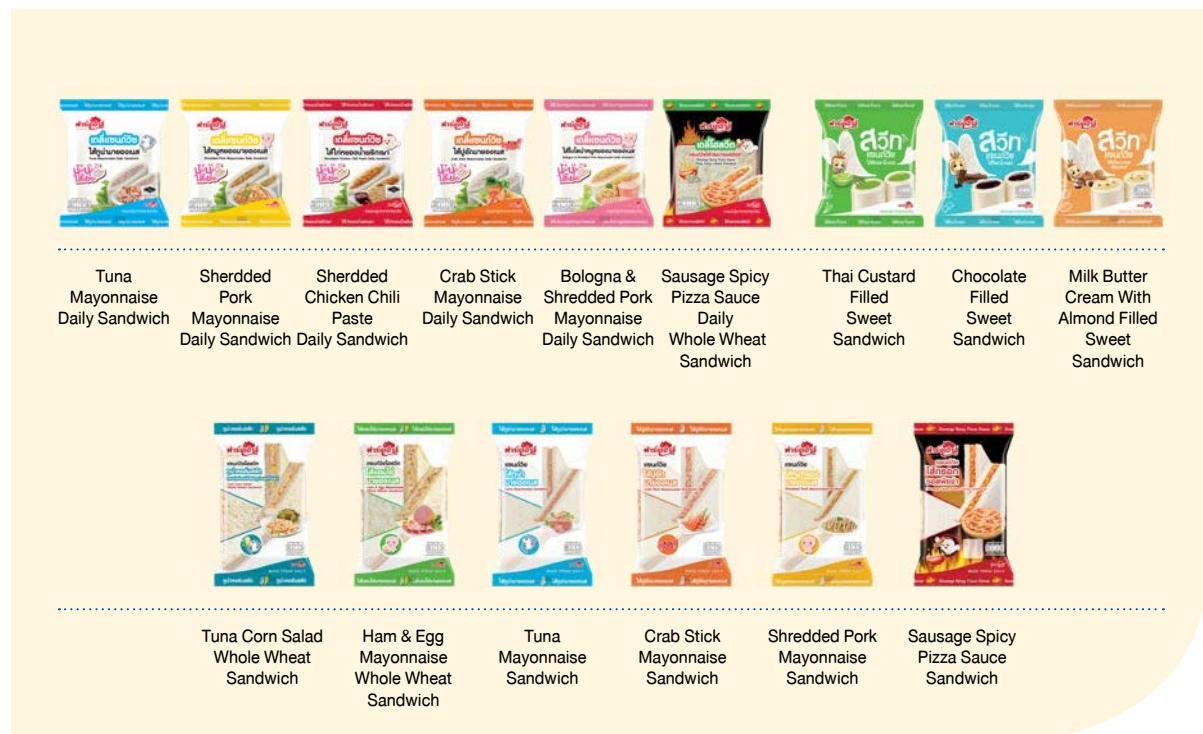
Flavored bread is a new type of bread slices from the Company. It has a unique flavor. Customers can eat the flavored bread by itself or use it to cook a variety of foods, increasing the various ways of eating for consumers. In 2021, the Company has 2 new flavors, namely butterscotch bread and raisin bread

1.2 Burger Bun and Hot Dog Bun

Selling products include buns for burgers and buns for hot dogs. The products can be used to make a variety of dishes such as burgers with various fillings, or hot dogs with various fillings, etc.



Snack Bread



1.3 Ready-to-eat bread (Snack Bread)

Snack bread is a bakery product in ready-to-eat form, packed in single package for one time consumption which is suitable for the lifestyle of consumers in urban society that always in a rush, in need of convenience, fast, portability and can be consume anywhere, anytime. The products have a variety of types and flavors for all target groups such as students, university students, working people and everyone. The products in this category are Deli Sandwiches, Sweet Sandwiches, Bread stuffed with sweet and meat fillings, Bread topped with spreads, Loafs, Raisin Buns, and Sweet Stuffed Hot Dog Buns and Triangle Sandwiches. In 2021, there are new products such as Hot Dog Bun stuffed with Ovaltine Crunchy, Hot Dog Bun stuffed with Shredded Pork and Salad Dressing, Raisin Loaf and Cocoa Raisin Chocolate Chip Loaf.

1.4 Ready-to-eat cake (Snack Cake)

The Company sees a gap in the current market where there is no ready-to-eat cake brands that has a standard and is accepted by the market. By the readiness

of the Company together with the expertise in cake production, the Snack Cake product group has been developed for distribution. The Snack Cake product group that the Company produces and sells consists of 3 flavors of Banana Cake: Banana Cake, Almond Banana Cake and Chocolate Chip Banana Cake, 5 flavors of Cake Roll: Coffee Flavored Cake Roll, Pandan Cake Roll, Orange Cake Roll, Vanilla Cake Roll and Hokkaido Milk Flavored Cake Roll, 4 flavors of Dorayaki: Dorayaki with custard cream filling, Dorayaki with chocolate filling, Dorayaki with almond cream filling and Dorayaki with chocolate chip cream filling, 3 flavors of sandwich cakes: vanilla flavored sandwich cake, pandan sandwich cake and coffee flavored sandwich cakes, 4 flavors of donut cake: Coffee custard filled donut cake, vanilla custard donut cake, chocolate custard donut cake and Thai custard donut cake. There are also 2 flavors of mochi cakes: almond milk butter mochi cake and double chocolate mochi cake. In 2021, the Company has new products which are coffee custard filled donut cake, Ovaltine crunchy filled dorayaki and choco banana cake.



Mixed Berry Flavoured Spread Bread Hokkaido Milk Flavoured Cream Spread Bread Chocolate Spread Bread Butter Spread Bread Thai Custard Spread Bread Shredded Pork Mayonnaise and Tuna Mayonnaise Buddy Sandwich Crab Stick Mayonnaise and Shredded Pork Mayonnaise Buddy Sandwich



Tuna & Boiled Egg Whole Wheat Filled Bun Crab Stick Mayonnaise Whole Wheat Filled Bun Shredded-Pork Mayonnaise Filled Bun Coconut & Taro Filled Bun Coconut & Pandan Custard Filled Bun Red Bean & Lotus Seed Filled Bun



Thai Custard Filled Bun Taro Filled Bun Red Bean Filled Bun Black Bean Filled Bun Red Bean & Black Sesame Filled Bun Chocolate Custard Filled Bun



Thai Custard Milk Filled Bun Red Bean Filled Bun Taro Filled Bun Thai Custard Filled Bun Chocolate Custard Filled Bun Cream Custard Filled Bun Black Bean Filled Bun Mung Bean Filled Bun Milky Custard Filled Bun



Butter Bread Taro Bread Coconut Pandan Flavoured Bread Cocoa Flavoured Bread Loaf Chocolate Chip Raisin Cocoa Bread Loaf Raisin Bread



Hokkaido Milk Flavoured Cream Filled Hotdog Bun Chocolate Flavoured Cream Filled Hotdog Bun Coffee Flavoured Cream Filled Hotdog Bun Pineapple Flavoured Cream Filled Hotdog Bun Strawberry Flavoured Cream Filled Hotdog Bun Salad Dressing And Shredded Pork Filled Hot Dog Bun Ovaltine Crunchy Filled Hot Dog Bun Hokkaido Milk-Almond Flavoured Cream Filled Hotdog Bun Coffee-Almond Flavoured Cream Filled Hotdog Bun Strawberry-Raisin Flavoured Cream Filled Hotdog Bun

Snack Cake



25

Confectionary



1.5 Other Bakeries

Confectionery product group consists of mini Butter Toast. (available only through small stores (traditional retailers)), Butter Toast, Raisin Butter Toast, Cookies in 4 flavors: Cookies Butter Flavoured, Cookies Fruit Flavoured, Cookies Raisin Flavoured, Cookies with Chocolate Chips. Butter Cookies in 3 flavors: Butter Cookies Vanilla, Chocolate Butter Cookies and Butter Cookies Hokkaido Milk. Fruit Pie in 3 flavors: Pineapple Fruit Pie, Strawberry Fruit Pie and Blueberry Fruit Pie. In 2021, there is a new product which Almond Mocha Butter Cookies. Pastry products include Pineapple Pie, Taro Pie, and Chocolate Pie.

1.6 Farmhouse Vending Machine

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

1.7 Farmhouse Delivery

To increase sales channels and delivery directly to consumers, the plan in 2022 is to open sales channels on Shopee and E-commerce channels.

1.8 Good Morning Farmhouse

Good Morning Farmhouse is distributing products to the representatives under the Company model. The purpose is to create popularity in the consumption of bread in various forms for general consumers and to supporting people to have a career and an extra income. The representatives will buy the products from the Company to make sandwiches that suits the consumers' demands. The Company will select sales representatives based on location and service availability as well as provide sales knowledge. At the end of 2021, there are 72 Good Morning Farmhouse sandwich sales representatives.

2. Retail Business

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



Farmhouse Vending Machine



Farmhouse Delivery



Good Morning Farmhouse



Deliya



Madame Marco

2.1 Deliya (Deliya by Farmhouse)

From the Company's policy with the aim to expand into bread and bakery retail business which is likely to expand a lot in the future, along with the experience and credibility of the Company in the bread and bakery business, the Company has opened Deliya by Farmhouse shop, which produces and distributes a variety of fresh homemade bread and bakery products, as well as selling bakery, Snack Box as well as delivering in Bangkok and its vicinity. As of the end of 2021, there are 6 branches at RS Tower Ratchada, The Mall 3 Ramkhamhaeng, Paradise Park, The Mall Bangkok, Boonthavorn Kaset-Nawamin and Tops Central Rama 9.

2.2 Madame Marco

Homemade soft cake with the original European style recipe that is flavorful in every step. Starting from the selection of quality raw materials from both within the country and abroad, through the clean and meticulous production process and with the unique made to order system of Madame Marco Cakes, the Madame Marco Cakes are delicious and fresh for every order as well as free delivery

service to both Bangkok and its surrounding areas. Under the authentic European flavor, this makes Madame Marco "The European Delight".

Currently, Madame Marco has increased the distribution channel by opening a shop, Madame Marco Shops. As of the end of 2021, there are a total of 18 branches at Siam Paragon, The Mall Ngamwongwan, The Mall Bangkai, The Mall Bangkok, The Mall Thapra, Paradise Park, Fashion Island, The Emporium, Crystal Ratchaphruek, The EmQuartier, Tops Central Pinklao, Tops Central Westgate, Tops Central Bangna, Tops Central Rama 3, Tops Central Eastville, Tops Central Ladprao, Terminal 21 and Siam Takashimaya.

Madame Marco Cake offers free shipping both in Bangkok and surrounding areas, for more details:

Call Center : Tel. 02-700-9210

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

Facebook : www.facebook.com/madamemarco.co.th

Line ID : @madamemarco

Instagram : madamemarcothai

3. Fastfood & Catering

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

3.1 Fastfood & Catering

(1) Fastfood

Products manufactured and sold, including burger buns and hot dog buns in various sizes, with or without sesame seeds. The Company has automated production throughout the production process. It is capable of producing 36,000 pieces per hour as well as other products such as French bread, croissants, biscuits and other products developed to satisfy customers. At present, the company is regarded as the largest supplier of bread products in the country.

Additionally, frozen dough is another product that the Company produces and distributes, which comes in various sizes according to the order placed by fast food stores. The Company has continuously researched and developed to continue expanding the market in this segment in the future.

(2) Catering

In addition to fast food stores, the Company has also expanded its distribution to restaurant groups, coffee shops who want bakery to be part of the menu. The company is currently producing and distributing products outside the ones being sold. This includes products that the company has developed specifically to meet each customer group.

3.2 Fried Products

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

4. Export business

The Company has developed products for distribution to Japan for customers who are Coffee Shop Chain and Pizza Shop which is very famous in Japan. The Company is selling through agents in the country, then send to the customers in Japan.



Fast Food & Catering



Special Formula Bread Crumbs

Bread Crumbs

Marketing and Competition

(1) Marketing

1. New products

In 2021, the Company launched 10 new products to increase consumer choice, including:

1. Butterscotch Bread
2. Raisin Bread
3. Ovaltine Crunchy Filled Hot Dog Bun
4. Salad Dressing and Shredded Pork Filled Hot Dog Bun
5. Loaf Raisin Bread
6. Loaf Chocolate Chip Raisin Cocoa Bread
7. Coffee Custard Filled Donut Cake
8. Dorayaki Ovaltine Crunchy Filling
9. Choco Banana Cake
10. Butter Cookies Mocha Almond

2. Production philosophy that seeks quality for consumers

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

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

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

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

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

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

Innovation Development in Product Research and Development (R&D)

The Company has always been aware of the great importance of food quality and safety when producing and selling bread and bakery products that must meet the standards, have quality, safe and consistently developing new products and services. The Company received certification on quality system according to the international standards such as Good Manufacturing Practice (GMP or GHPs Codex) and Hazard Analysis Critical Control Point (HACCP Codex) from the Office of Certification Body (OCB), Thailand Institute of Scientific and Technological Research (TISTR). In addition to considering cleanliness, freshness and safety in every step from the raw material selection process, manufacturing process, product research and development as well as quality packaging to the transportation of finished goods to control the hazards of

microorganisms, chemicals, allergens providing quality and safe products to consumers, The Company is also committed to developing suppliers who supply raw materials and packaging with procedures to control and verify the quality at the supplier's production site whether domestic or abroad. The Company also encourages and gives advice on quality and safety systems of products in small-scale industries, SMEs. Moreover, the Company has also been reviewed and assessed the quality system and production processes from customers such as fast food business, retail and wholesale business groups, etc., with the standard 'Safe Food for Consumers Everywhere' to ensure the system complies with international food safety certification systems such as BRC, FSSC 22000, etc., and in order to guarantee product quality, both in terms of quality and safety for consumers according to all standards.

Research and Development on Products and Innovations in 2021

1. Product Research and Development

1.1 Selecting natural preservatives.

During the past 2-3 years, the Company has been committed to research and develop alternatives to preservatives derived from synthetic chemicals using to maintain the quality of the product and its shelf life for the safety of consumers. Bakery products are products with high humidity which shorten the shelf life. Natural preservatives can prevent the growth of bacteria, yeast and mold. It also helps product maintain nutritional value throughout its shelf-life, as well as throughout the chain (supply chain) from production, transport from factory to distribution centers and shops to the consumer's hand.

1.2 Using vegetable fats derived from palm oil certified as Roundtable on Sustainable Palm Oil (RSPO)

A standard for sustainable palm oil production that covers economic, social and environmental sustainability dimensions accepted at the most international level. Palm oil that have been used in industrial processing are such as shortening, blended butter and margarine, etc. The Company has started to use vegetable fats from palm oil that are RSPO certified in order to support certified palm

oil producers to be able to sell more products. It is considered as a promotion to help conserve nature and support the farmer's career and also a guarantee of the origin and quality of the palm oil as well. The Company has started to use RSPO certified vegetable fats as palm oil substitute in the fast food business and is planning to expand the use to the wholesale and retail business.

1.3 Cleaner Label products.

The Company is committed to research, develop and create products that are truly promoting health for consumers. The result is to obtain products manufactured by reducing the use of chemical additives or synthetic ingredients. Therefore, the Company has turned to use color, odor, and flavor additives that are produced from natural raw materials and also good for the future environment, including displaying the information on the product label correctly, with transparency and easy to understand as well.

1.4 Increasing the scope of new product development.

In 2021, the product research and development department has developed new products in the retail segment, namely products under trademarks. "Madame Marco and Deliya". The department also developed up to 90% of new products from the original, which helps to expand the bakery product market and meet the needs of a wider group of consumers.

1.5 Sensory Quality Analysis (Sensory Expert)

In 2021, there is still an outbreak of COVID-19. The Sensory Quality Analysis Department has adjusted the training format for expert testers into the Self-Learning Online Class to reduce the risk of exposure, increase distancing and prevent the spread of COVID-19 in the factory according to the Company's surveillance measures. The expert testers can choose the date and time of the training. The test was done individually to reduce the risk of spreading infection in sensory quality testing and still able to maintain product quality test standards by expert testers. The information is used to improve product quality, develop various new products.

1.6 Reducing waste and garbage or industrial waste.

The Company has a policy to reduce waste from the production process and increase the ability to use industrial waste in accordance with the 3Rs principle, such as the use of outer packaging when packing the butter, margarine or sugar sacks, circulating the packaging between manufacturing factories. Also, the Company is reducing the amount of industrial waste from changing the canned milk or canned pineapple products to pouch packaging, which have the advantages of being lightweight, easy to transport, able to reduce the amount of industrial waste generated by cans by 75%. Including in 2022, the Company has a policy that aims to join the project and request for the Green industry certification in accordance with the policy of the Ministry of Industry. The project promotes the development of eco-industry. The Company has announced the environmental policy which adhering to environmentally-friendly business operations by focusing on continuous development and improvement and operate business with social responsibility internally and externally throughout the supply chain for sustainable development.

2. Research and development of innovation and technology in product quality analysis in 2021

2.1 Alternative microbial analysis technology (Alternative Rapid Methods)

In finished products and raw materials, the laboratory is accredited to international standards of ISO/IEC 17025. The laboratory has improved, developed its capabilities and introduced alternative testing methods (Alternative Rapid). Such methods are used to check the quality of goods, including raw materials instead of standard methods or conventional methods, accounting for 49% of

the total number of samples analyzed to increase the efficiency and potential of the laboratory. As a result, the bacterial, yeast and mold test result can be achieved faster within 24-48 hours. This can reduce the preparation time and the complex analytical procedures in the preparation of microbial media by 50%, as well as reduce energy consumption by 37%, uses 39% less water, produces less greenhouse gases and carbon dioxide emissions by 37%, produce 32% less laboratory waste (by weight and volume) compared to the total number of laboratory samples analyzed.

2.2 Air Sampling Equipment to Check Microbiological Quality.

In 2021, the laboratory has studied and invested in airborne microbial sampling equipment, used to monitor contamination from microbial particles in the air in the production process. The bacteria or mold particles are small and light particles that float in the air for a long time. There is a risk of contamination affecting the quality of the product. By replacing the traditional method of settle plate, which has only 60% efficiency and accuracy, with the technology and innovation of an air sampler with 99% efficiency and detection accuracy, the laboratory can detect bacteria and fungi present in the air with small particles, bring the data for analysis, and more accurately predict product quality. As a result, it improves product quality control and assurance efficiency, reduces waste, and lowers the danger of product deterioration prior to expiration. The air sampler can also maintain a consistent volume of air, cutting the sampling period per area from 15 minutes to just 1 minute. This air monitoring device technology is accurate and dependable, thus it's utilized in a number of industries that require a high level of product quality control, such as pharmaceuticals, baby milk powder, and hospital operating rooms (Cleanroom), etc.

Research and development of quality and efficiency expenses in the last 3 years

Year 2019	Year 2020	Year 2021
5.49 Million Baht	5.50 Million Baht	5.90 Million Baht

Marketing Activities

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

In 2021, the Company has budgeted for effective marketing operations and customer communication by continuously releasing advertising movies such as television and online commercials, including re-edit ads, to transmit the Company's image and products for long-term recognizability.

Currently, the 2019 coronavirus pandemic (COVID-19) has led to a change in consumer behavior. It was found that there were changes in products purchasing through online channels. Consumers are now used to buying their daily necessities and other items online instead. The pandemic has resulted in lockdowns and social distance, prompting individuals not to come out to shop at department stores or other stores.

As a result, in order to fulfill the needs of the new consumer group (New Normal), the Company has expanded its sales channels in order to boost sales channels, increase sales, and establish a new client base.

Based on the aforementioned, the Company has conducted promotional activities, coordinated promotions, and expanded distribution channels in order to help society, obtain awards, and introduce new technologies in 2021, as follows:

1. Farmhouse Delivery is a service that delivers products to consumers.

They can order the products online for as little as 150 baht with free nationwide delivery through LINE OA. It has boosted product purchases by creating a campaign to lower the price of the product and rotating product categories each month. Some of the items are not available in regular stores, such as butterscotch bread, French toast, non-sliced bread crumbs, burger buns, hot dog buns, and etc. There are also customized sets of products available for customers to choose based on their demands, occasion, festival, or ceremonial, such as a merit-making set, a great value set, cheaper in pair, and others. Such projects have consistently earned a good income for the Company.

2. Helping those affected by the COVID-19 crisis and the construction worker camp

The Company is supporting and assisting individuals affected by the crisis by spreading joy and supplying products to construction workers in 7 camps, touching over 900 people. Ramkhamhaeng Workers Camp, Bang Na Workers Camp, World and Consult Sukhumvit 3 Workers Camp, Arun Amarin 36 Workers Camp, Gran Perfect Workers Camp, JWS Sukhumvit 13, Rama 9 Workers Camp are the names of the camps (Pictures).



Activity Photos : Helping those affected by the COVID-19 crisis and the construction worker camp



Activity Photos : Collaborate with Madame Pang Foundation by Helping COVID-19 Patients



Activity Photos : Collaborated with the Mass Rapid Transit Authority of Thailand (MRTA)

3. Collaborate with Madame Pang Foundation by Helping COVID-19 Patients

The Company donated 12,800 pieces of deli sandwich bread in assorted flavors, to Community Isolation of 400 beds in all 4 locations around Bangkok. namely

- Point 1: Wang Thonglang District together with Ladprao Hospital
- Point 2: Wat Kamphaeng Bang Waek, Phasi Charoen District, together with Mitpracha Hospital
- Point 3: Sri Thai Warehouse, Rat Burana District, together with Prachapat Hospital
- Point 4: Bueng Kum District, together with Phyathai Nawamin Hospital

4. Collaborated with the Mass Rapid Transit Authority of Thailand (MRTA)

The Company donated 1,000 pieces of bread to Mr. Pakapong Sirikantaramas, Governor of the Mass Rapid Transit Authority of Thailand, to help the construction camp of the Pink Line, Yellow Line and Orange Line, which have been affected by the spread of COVID-19.

5. Support the Cook 4 All project to help COVID-19 patients

The Company supports the Cook 4All project by providing sliced farmhouse bread to make ready-to-eat sandwiches, as well as helping COVID-19 patients who are hospitalized at the Saphan Temple Waiting Center (Khleng Toei) and nearby communities, about 500 people affected by COVID-19.

6. Helping evacuees from the explosion at the plastic foam factory on Soi King Kaew 21

President Bakery Public Company Limited donated 1,500 pieces of bread to Ms. Lawan Punasiri,

Deputy Chief Administrator of SAO, Bang Phli Yai Subdistrict, to distribute to other evacuation centers and to those suffered from fires and explosions of the Ming Dih Chemical Company Limited.

7. Deliver an ambulance to Ramathibodi Hospital to help COVID-19 patients

The Company and the management of President Bakery Public Company Limited, Mr. Apisate Thammanomai, Deputy Managing Director, donated 2,500,000 baht to purchase the ambulance. The ambulance was received by Assoc. Prof. Dr. Surasak Leelaudomlpi, Director of Ramathibodi Hospital, at Queen Sirikit Medical Center Building.



Activity Photos : Support the Cook 4 All project to help COVID-19 patients



Activity Photos : Helping evacuees from the explosion at the plastic foam factory on Soi King Kaew 21



Activity Photos : Deliver an ambulance to Ramathibodi Hospital to help COVID-19 patients



Activity Photos : Aerosol Jet Robot and Pradu Daeng Robot



Activity Photos : Received the “Marketeer No.1 Brand Thailand 2020-2021” award

8. Aerosol Jet Robot and Pradu Daeng Robot

The Company participated in the press conference and received the delivery of “Aerosol Jet Robot (ULV) to kill germs and viruses and Pradu Daeng Robot (UVC) to be used for disinfection from King Mongkut’s University of Technology North Bangkok, led by Prof. Dr. Suchart Siengchin, President of KMUTT and Prof. Dr. Teravuti Boonyasopon, President of KMUTT’s University Council with faculty members attending press conferences and delivering innovations at meeting room 215, multipurpose building and the courtyard of the King Rama IV Monument, King Mongkut’s University of Technology North Bangkok (KMUTT).

9. Received the “Marketeer No.1 Brand Thailand 2020-2021” award

President Bakery Public Company Limited under the brand “Farmhouse” received the “Marketeer No.1 Brand Thailand 2020-2021” award for being the most popular brand in various categories in Thailand based on survey results from consumer behavior and consumer information received nationally. Farmhouse has been awarded in the bread category for the fourth year in a row, emphasizing the quality of clean and fresh products that have captured the hearts of consumers for more than 39 years. In the New Normal scenario, the award will be given this time on a virtual platform.

Characteristics of Customers and Distribution Channels

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

1. Wholesale

1.1 Sales of products under the Company's trademarks

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

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

With a total of 37,518 traditional retail stores as of 31 December 2021. Some of the products distributed will be those that the company produces specifically to differentiate itself from other distribution channels and to meet the needs and purchasing power of customers. This type of store will pay the company directly for the products as soon as they arrive.

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

Have standard management and use modern technology with high investment, such as 7-Eleven, Family Marts, convenience stores in gas stations, and discount stores such as Lotus's and Big C, including various supermarkets. As of 31 December 2021, there are 22,560 stores.

- **Vending Machine**

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

- **Farmhouse Delivery**

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

- **Good Morning Farmhouse**

It is a project that can create a career for Thai people in the form of a franchise business for fresh sandwiches from Farmhouse distributed throughout the country. The shop will be trained according to the course under the fresh and clean standard of the Farmhouse.

1.2 Product sales made in accordance with customers' orders

It is the manufacture of products in response to orders from fast-food restaurants and convenience stores such as McDonald's, KFC, Burger King, Chester's Grill, Pizza Hut, Sizzler, Mosburger, The Pizza Company, Dairy Queen, Santa Fe Steak, Texas Chicken, and Narai Pizzeria, etc. There are approximately 2,581 branches as of 31 December 2021, primarily purchasing bread products for hamburgers and bread for hot dogs.

2. Retail

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

Deliya by Farmhouse
Madame Marco

(2) Competition Conditions

The Company's competitors are classified into two types:

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

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

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

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

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

(3) Procurement of Products or Services

Production

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

standard and ready for daily distribution to all regions throughout Thailand.

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

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

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

Value and proportion of purchases of important ingredients and packaging in 2021-2020

Raw Materials / Packaging	2021		2020	
	Thousand Baht	%	Thousand Baht	%
1. Wheat Flour	1,018,218.84	39.71	944,259.14	38.08
2. Fat	435,257.17	16.97	412,600.92	16.64
3. Sugar	180,382.53	7.03	188,386.59	7.60
4. Yeast	65,358.74	2.55	65,465.87	2.64
5. Agricultural and Meat Products	396,153.95	15.45	416,639.10	16.80
6. Other Raw Materials	182,699.44	7.12	135,372.91	5.46
7. Packaging	286,387.69	11.17	317,263.70	12.79
Total	2,564,458.36	100.00	2,479,988.23	100.00

The Company's proportion of purchasing ingredients and packaging from domestic ingredient sources and the Company's direct imports from abroad during the years 2021-2020 is as follows:

Raw Materials Source/ Packaging Source	2021		2020	
	Thousand Baht	%	Thousand Baht	%
1. Domestic	2,335,698.20	91.08	2,238,162.33	90.25
2. Abroad	228,760.16	8.92	241,825.90	9.75
Total	2,564,458.36	100.00	2,479,988.23	100.00

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

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

- (1) In the purchase of both ingredients and packaging for the Company to be competitive in terms of quality, price, and service, the Company must have multiple vendors from which to purchase ingredients and packaging at the best prices.
- (2) Improvements in production processes and formulas in order to be able to manage costs more effectively.
- (3) Every new vendor must pass ingredients and packaging tests for chemical, physical, and taste characteristics, as well as undergo a preliminary factory evaluation before being listed on the AVL (Approved Vendors List) to be able to trade.
- (4) Every time ingredients and packaging are delivered, the Company will perform an assessment in the quality of the supplier in all aspects, such as the quality of the product, service, quantity, and the correct

price, as well as on-time delivery, etc., and the record the results of the assessment are recorded as scores, which the Company will perform an assessment twice a year.

- (5) The Quality Assurance Section of the Company collaborates with the Production Department, as well as the Sourcing and Purchasing Department, to conduct the supplier audit in accordance with the annual supplier audit plan that has been established.
- (6) The Company has entered into an advance contract with the supplier to control both price, quantity, and quality in purchasing for important ingredients and large quantity orders.

Based on the above-mentioned Company approach, the Company was able to manage risks related to ingredients and packaging to an acceptable level in 2021, with no impact that caused the Company to halt operations.

When the manufacturing process is completed, the products will be transported to the distribution center, which is a location for product transfer and a parking lot for product transportation. Each salesperson must count and receive products from the distribution center in order for them to be distributed to various stores. As of 31 December 2021, the Company had 41 distribution centers, with 9 in Bangkok and its surrounding areas and 32 in other provinces to allow for product distribution. Covering the entire country of Thailand, provincial distribution centers can be classified by region as follows:

Location	Province
Northern	Nakhon Sawan, Phitsanulok, Tak, Phrae, Chiang Mai, Chiang Rai, Phetchabun
Eastern	Chonburi, Pattaya, Kabinburi, Chanthaburi
Northeast	Nakhon Ratchasima, Khon Kaen, Udon Thani, Sakon Nakhon, Surin, Roi Et, Ubon Ratchathani, Loei
Central	Nakhon Pathom, Ayutthaya, Lopburi, Suphanburi
Southern	Chumphon, Suratthani, Koh Samui, Nakhon Si Thammarat, Krabi, Phuket, Hat Yai, Prachuap Khiri Khan (Hua Hin), Trang

4) Assets used in business operations

4.1 Main fixed assets used in business operations

Types/Descriptions of Assets	Types of Ownership	Net worth after depreciation (Million baht)	Encumbrance
1. Land	Owned by the Company	1,257.07	None
2. Buildings and structures	Owned by the Company	1,129.39	None
3. Machinery and equipment	Owned by the Company	857.84	None
4. Property during installation	Owned by the Company	43.63	None

4.1.1 Factory Land

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

4.1.2 Distribution centers

As of 31 December 2021, the Company had purchased land in Khon Kaen, Phuket, and Nakhon Si Thammarat for the construction of three distribution centers. There are 41 distribution centers located throughout the country, divided into 20 distribution centers

owned by the Company in Songkhla Province, Chiang Mai, Phraya Suren Road, Rangsit-Nakhon Nayok, Prachachuen, Chonburi (Pattaya), Chonburi (Sriracha), King Kaew, Nakhon Pathom, Chumphon, Bang Bua Thong, Phitsanulok, Surat Thani, Chiang Rai, Hua Hin, Nakhon Sawan, Ayutthaya, Nakhon Ratchasima, Udon Thani and Thung Khru, in the amount of 21 places. In terms of renting a distribution center, there are both building rentals and vacant land where the Company will build the building itself, as the following details:

Location	Place	Period*** (Year)	Monthly Rent (Baht)
Bangkok	3	3-6	30,000-173,250
Northern	3	3	15,000-21,000
Eastern	2	3	12,000-18,000
Northeast	6	3	7,000-38,000
Central	2	3	12,000-18,000
Southern	5	2-3	6,000-16,000

*** The duration of the lease agreement

4.1.3 Deliya by Farmhouse

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

4.1.4 Delivery vehicles

As of 31 December 2021, the Company has a total of 936 vehicles used in transportation of goods, which are owned by the Company.

4.2 Concessions, Copyrights and Trademarks

Company Trademark

The Company owns and registers trademarks with the Ministry of Commerce's Department of Intellectual Property by product type for the purpose of producing and selling various brand products. Each trademark registration is valid for ten years from the date of registration and can be renewed for another 10 years. As of 31 December 2021, the trademarks the Company has registered are Farmhouse, Delidonut, Krua Jean, Madam Marco, Thanyarat, Thanyasuth, Farmhouse Kitchen, Big Bake, Hot Meal, Deliya, Fris R Fresh, and Good Morning Farmhouse.

(5) Work that has not yet been delivered

- None-

1.3 Shareholding Structure of the Company's Group

1.3.1 Shareholding Structure of the Company's Group

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

Company	Shareholding Percentage	Nature of Business	Registration Number	Registered Capital, Issued and Paid-up	Address
President Green House Foods Co., Ltd.	39%	To Operate a Restaurant Business Namely "Shinjuku Tonkatsu Saboten"	0105551034347	1.5 million shares par 10 baht per share, paid-up capital 15 million baht	121/84 29 th Floor, RS Tower, Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel 02-209-3000 Fax 02-209-3091
President Flour Mills Co., Ltd.	10%	Production and Distribution of Flour Group	0215554002321	6 million shares par 100 baht per share, paid-up capital 600 million baht	43/244, Moo 4, Huayprab-Pluakdaeng Road, Mabyangpon, Pluakdaeng, Rayong, 21140
Saha Capital Tower Co., Ltd.	10%	Other Real Estate activities on a fee or contract basis	0105562170158	50 million shares par 100 baht per share, paid-up capital 2,750 million baht	530 Soi Sathupradit 58, Bangpongpan, Yannawa, Bangkok, 10120

Joint Venture

The Company has 1 joint venture company, which is President Green House Foods Company Limited, with a shareholding of 39 percent, and no other company in which the Company holds more than 20 percent of the shares.

1.3.2 Persons who may have conflicts

-None-

1.3.3 Relationship with the business group of major shareholders

The Company has disclosed information as detailed in the connected transaction, pages 118-119

1.3.4 Shareholders

List of the first 10 shareholders

Summary information from the closing date of the share register book as of 7 September 2021.

No.	Shareholders	No. of Shares Hold	Percentage
1	Thai President Foods Public Company Limited	233,961,616	51.99
2	Sahapattana Inter Holding Public Company Limited	98,053,400	21.79
3	Mr. Pipat Paniangvait	14,896,150	3.31
4	Miss Apiradee Thammanomai	9,283,640	2.06
5	Mr. Weerapat Punsak-Udomsin	7,134,770	1.59
6	Sahapattanapibul Public Company Limited	4,650,000	1.03
7	Thanulak Public Company Limited	3,500,000	0.78
8	Better Way (Thailand) Co.,Ltd.	3,500,000	0.78
9	Mr. Apisate Thammanomai	3,344,810	0.74
10	I.C.C. International Public Company Limited	3,150,000	0.70
Total		381,474,386	84.77

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

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

- None -

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

- None -

1.4 Amount of registered capital and paid-up capital

1.4.1 Ordinary shares

As of 31 December 2021, the Company has a registered capital of 450,000,000 baht, paid-up 450,000,000 baht, divided into 450,000,000 ordinary shares, with a par value of 1 baht per share.

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

-None-

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

-None-

1.5 Issuance of other securities

1.5.1 Convertible Securities

- None -

1.5.2 Debt Securities

- None -

1.6 Dividend Payment Policy

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

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

Year	2020	2019	2018	2017	2016
Earnings per share (Baht/Share)	3.73	3.78	3.18	2.96	3.25
Dividend per share (Baht/Share)	1.90	1.90	1.60	1.50	1.65
Rate of Dividend from Net Profit (%)	50.98	50.24	50.32	50.69	50.80

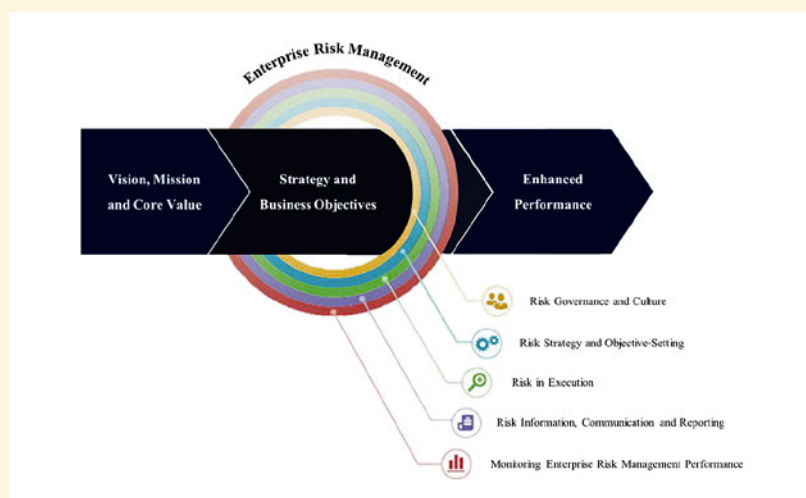
Section 1 Business Operations and Performance

2. Risk Management

2.1 Policy and Risk Management Plan

In 2021, the Company will adopt the COSO-ERM 2017 framework as a framework for internal risk management by analyzing risks from process based approach, which can comprehensively identify the risks that affect the organization by focusing on linking the vision, mission, and corporate

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



Enterprise Risk Management-Integrating with Strategy and Performance

1. Vision, Mission and Core Values

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

2. Business Strategy and Objectives

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

Governance and Risk Management Culture

The Board of Directors has appointed the Corporate Governance and Risk Management Committee, which is comprised of directors and senior executives of the Company with appropriate knowledge, abilities, and experience, to perform the duty of supervising the implementation of the risk management process effectively and efficiently in accordance with the established risk management framework, including taking into account the results of the risk assessment and risk monitoring throughout the fiscal year. The Board of Directors has approved the Corporate Governance and Risk Management Committee Charter in order to appropriately determine the operating structure, roles and duties, and responsibilities of executives and employees at all levels, including creating a risk management culture for effective risk management of the organization. It is part of the business operating process to be consistent and consistent throughout the Company by having the following corporate culture in risk management:

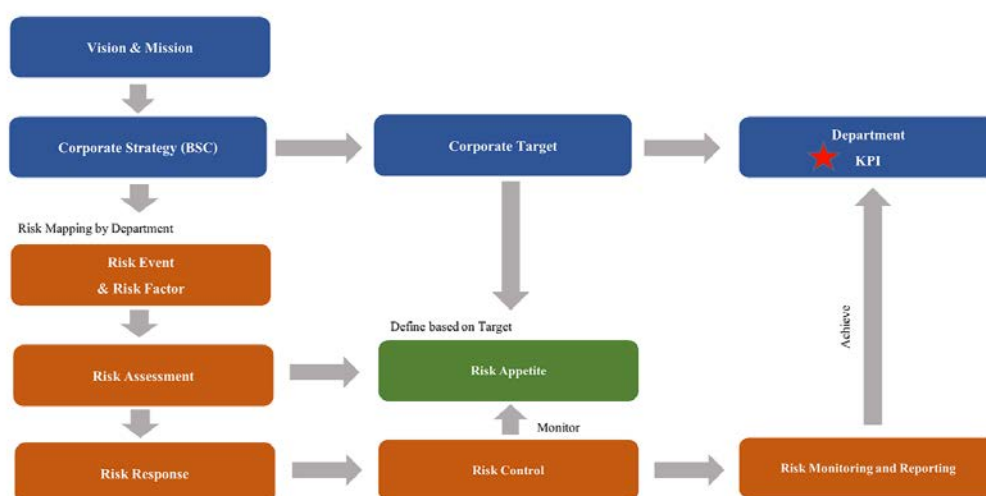
- Instill risk awareness in everyone in the Company
- Promote and develop the potential of employees. Don't stop just thinking, but practically commit to it immediately to see results (Make it happen).
- Cooperate in working as a team (Winning with team) by thinking of improving and finding solutions to prevent together.

- Create awareness to think analytically, plan and make decisions based on information and evidence (Evidence and Fact-base).

Strategy and Objectives Determination

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

Using the risk management process as a tool to control the operations of the department to achieve the set goals by using the organization's vision, mission, and values as a guide to determining the Company's strategy, objectives, and business goals, KPI (Key Performance Indicators) for various departments. It consists of risk identification, which is an indication of events that may have an impact on the Company's objectives. There is a risk assessment to assess the level of likelihood of occurrence and the impact level in order to effectively analyze the risk response. Determine risk management and control measures (Risk Control) to ensure that risks are at an acceptable level (Risk appetite), including regular risk monitoring and reporting to ensure that different departments in the organization can achieve the goals based on the KPI set.



Strategy and Goal with the Risk Management

Types of risks that are prioritized by the Company

1. Strategic Risk
Risks related to strategic planning, action plans, and the ineffective implementation of such plans.
2. Operational Risk
The risks associated with the performance of each process or activity within the Company, including risks related to information management in information technology and information to achieve the specified goals.
3. Financial Risk
Risks associated with financial management Liquidity, credit, and investment management, as well as interest rate and exchange rate fluctuations.
4. Compliance Risk
Risks related to compliance with regulations of regulatory bodies as well as various legal risks related to the Company's business operations.
5. Reputation Risk
Potential risks occur from events that have a negative impact on reputation, public perception, and Company image.

Operation

The Company has appointed a risk coordinator to represent the risk management of each unit by organizing risk management training for coordinators in order to enhance knowledge and understanding of risk management in order to be able to increase expand the body of knowledge, communicate within the department itself, and effectively implement risk management processes in order to analyze, identify risk factors, and assess risks within the organization, as well as prepare a risk control plan.

Monitor and report on the risk management results of the department.

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

Summary of corporate risk management results

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



Dashboard Template

3. Progressive Performance

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

2.2 Risk Factors for the Company's Business Operations

From the characteristics of the business of President Bakery Public Company Limited, potential risk factors and the effects that may have on future operations are as follows:

Risk of Relying on Customers

The Company sells products to C.P. All Public Company Limited, which operates a convenience store business, and considers CP All Public Company Limited to be one of the Company's distribution channels, with sales to such customers accounting for more than 40% of total revenue in 2021. If the Company loses this customer, the revenue in that division will suffer.

Risk Management

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

Risks Related to Ingredients and Packaging

Risk from fluctuation in ingredients prices

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

In 2021, the main ingredients purchased by the Company are affected as follows:

- **Wheat Flour :** World wheat prices, including transportation costs, have risen significantly in 2021, with movements in the range of 324-490 USD/ton, much higher than in 2020, due to exchange rate volatility and lower yields in America due to the arid climate. As a result, the Company faces the risk of having to purchase wheat flour at a higher price than usual. Wheat flour prices are difficult to control and manage throughout the year.

Risk Management: Since the Company purchases a large volume of wheat flour and has six domestic sellers, in 2021, an additional domestic seller was recruited and began to purchase flour from abroad that meets the quality standards and is inexpensive to use, giving the Company the power to negotiate the price with the seller.

- **Fat :** Margarine, shortening, and butter are all fats, with palm oil serving as the primary ingredient. Because Indonesia is the world's largest producer and Malaysia has less palm volume in the market, crude palm oil prices in the global market have risen significantly by 2021 which is a result from the COVID-19 epidemic that cause a labor shortage in the harvest. Furthermore, due to climate change, the amount of palm oil harvested in Thailand has decreased, converting into biodiesel, a ban on palm imports from other countries, and more farmers turning to exports causing the price of ingredients that has palm oil as a composition increased continuously comparing to 2020. Throughout 2021, it will be difficult to control and manage both price and quantity.

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

- **Egg :** Due to weather and rising feed prices, egg prices tend to rise, resulting the Company has a risk of purchasing high-priced chicken eggs.

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

- **Fresh Yeast :** Prices tend to rise as a result of rising production costs, exchange rates, and international shipping cost. As of 2020, and continuing until 2021, freight rates have increased by 200-300 percent, the highest in 100 years, as a result of the COVID-19 epidemic situation, resulting in an increase in the cost of fresh yeast and the Company has the risk of purchasing more expensive live yeast than usual.

Risk Management: The Company promotes and develops the quality of fresh yeast in collaboration with another prepared foreign producer who has been trying to develop continuously since 2011 until it is successful and has the same quality as the current seller. The ordering

function will be available in 2021. This give the Company more negotiating power with sellers and reducing the risk of having a single seller.

- Bread bag prices tend to rise because the cost of petrochemicals, which are the main materials for production, has risen in line with global crude oil prices, the exchange rate, and rising international shipping costs, as well as fresh yeast, causing the cost of bread bags to rise and the Company has the risk of purchasing bread bags that are more expensive than usual.

Risk Management: The Company promotes and develops the quality of bread bags in collaboration with a well-equipped domestic manufacturer in order to reduce the cost of shipping from abroad and the problem of delayed delivery due to a container shortage which is an attempted to develop continuously and have the same quality as the current seller in 2022. This gives the Company more negotiating power with sellers and reduces the risk of having a single seller.

The Risk of having Limited Ingredients Resources

Due to the Company's operating philosophy, which is to use the best ingredients to produce the best quality products, some sources of ingredients must be purchased from only one supplier because the Company and that supplier are working together to develop specific characteristics to meet the needs of the Company. As a result, the Company may be vulnerable to ingredient shortages or a lack of price bargaining power.

Risk Management: The Company has assigned the Sourcing and Purchasing Department with finding additional sources of ingredients from existing ones, with the quality of ingredients that can be substituted being an important criterion for consideration in order to provide flexibility in production and better management of ingredient costs.

Because the Company's products have a life span of about 4-5 days, there is a rapid turnover of ingredients in production, and consumer demand varies according to the market and consumer demand, which will always be adjusted up and down to use in production as well as

manage the proportion of orders equally with each manufacturer and/or supplier.

However, with good internal management and long-term relationships with all of its ingredient suppliers, the Company has never encountered such problems in the past 39 years, as each vendor is stable and has a reputation for being widely accepted. As a result, the Company has carefully examined the information and clear policies of all sellers in order to avoid problems that may arise as a result of policy uncertainties on the part of manufacturers and sellers.

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

Management of Purchasing ingredients-packaging during the Covid-19 Epidemic Situation

Even though the business operations have begun to adjust and have a clearer operating pattern from the global epidemic of COVID-19, which has been spreading since the end of 2019 and will continue to spread in 2021, there are some controllable factors making purchasing ingredients and packaging more difficult than under normal circumstances. This affects cost control, quantity, and delivery, so the management of the purchase of ingredients and packaging must be carefully carried out in order for the Company to be able to produce products for sale continuously in accordance with the market demand at a reasonable cost. In this regard, the Company has guidelines as follows:

- Conduct a risk assessment for each seller affected by the COVID-19 epidemic and categorize the risks in order to plan preventive measures based on the importance of the risks and the impacts that the Company will face, respectively.

- Plan of ordering in advance by ordering and stocking up at the dealer to have the ingredients-packaging ready for at least 3 months in order to avoid stock shortages and manage costs to minimize fluctuations in ingredient prices.

- Ordering ingredients and packaging from abroad will face issues such as port congestion, a shortage of transport containers, and a 200-300 percent increase in freight rates, resulting in higher shipping costs and an unknown delivery time from abroad to Thailand. The Company must plan ahead of time to purchase ingredients and packaging from abroad by ordering 3 months earlier than the original schedule and recruiting domestic manufacturers to compensate for the risk of delayed delivery.

- Find additional suppliers/sources of ingredients/packaging to reserve in case the original supplier/production source has a problem.

- The Company closely monitors the COVID-19 epidemic news and has a strict order management plan in place to ensure the safety of ingredients, packaging, and delivery that meet the requirements, including risk management by purchasing ingredients and packaging from reserve suppliers that the factory is located in a secure area to use instead.

Risks Related to The Appearance of Products, Which are Mostly Fresh Products

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

Risk Management

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

Risk from having A Group of Major Shareholders

The Company has a group of major shareholders, one of which is Thai President Foods Public Company Limited (TFMAMA), which owns 51.99 percent of the Company's shares (as of the book closing date on 7 September, 2021). Saha Pathana Inter Holding Public Company Limited (SPI) is an indirect major shareholder through which the above major shareholders can control almost all of the resolutions of the shareholders' meeting, whether it is a matter of appointing directors or requesting resolutions on other matters requiring a majority of the shareholders' meeting. Other shareholders may be unable to collect votes to check and balance matters proposed by the major shareholders, unless required by law or the Company's articles of association, which require three-fourths of the votes at the shareholders' meeting.

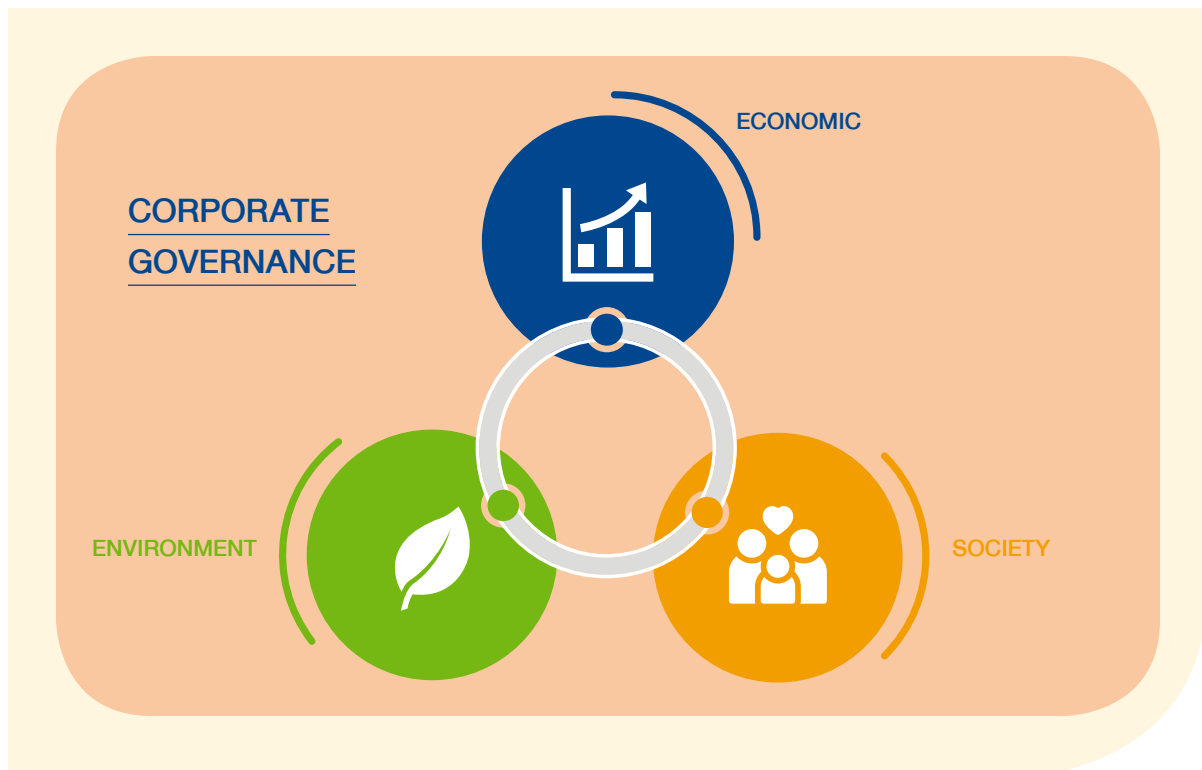
Section 1 Business Operations and Performance

3. Driving Business for Sustainability

3.1 Corporate Sustainability Development Policy

The Company has established a policy to serve as a framework for managing the organization's sustainable development. On the basis of good corporate governance, encourage the existence of information technology systems and operational processes that assist personnel in operating

effectively, including improving the organization's ability to operate business stably in the mindset of changes that occur to improve sustainable development, create economic, social, and environmental values in the organization's business chain.



51

The Company is committed to conducting business with an awareness and focus on sustainable development, and believes that sustainable business operations are an important foundation that contributes to the organization's ability to grow steadily. This business must be operated effectively while focusing on the environment, society, and adherence to good governance (known as "ESG") in order

to build trust with the organization's stakeholders, have transparency in business operations, and have continuous innovation development while taking responsibility for the community, society, and environment, which is sustainability in every business process (ESG in-process) of the operations and focuses on three elements, which are as follows.



1. Environmental Management (Environmental): Management of valuable resource consumption, Effectively manage fuel, electricity, water, garbage, and waste.



2. Social Management(Social): Fair and equitable human resource management, provides for the safety and occupational health of employees, including having a good relationship with surrounding communities.



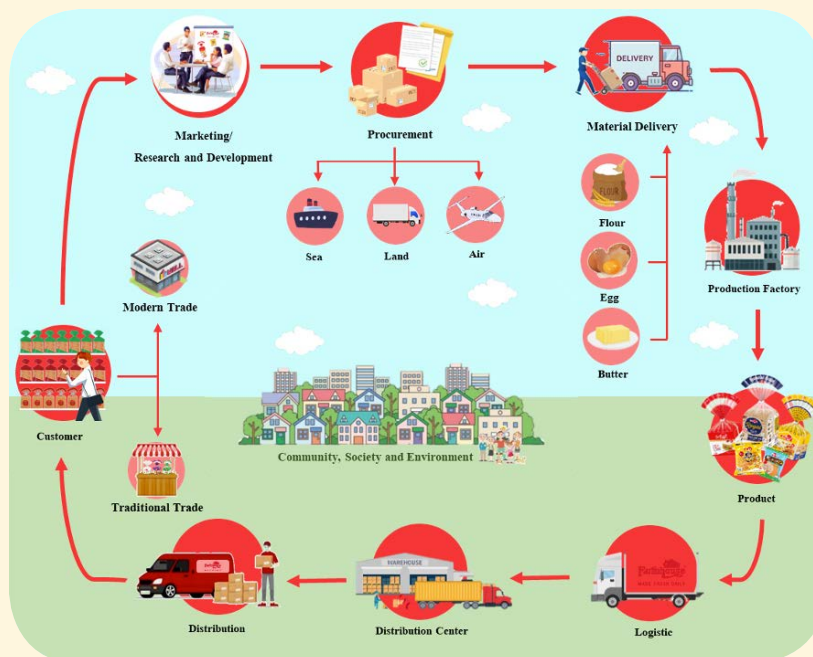
3. Governance management (Governance): Conducting business responsibly, transparently, fairly, and in accordance with good corporate governance, as well as having an internal control system and effective risk management practices, including anti-corruption.

3.2 Managing impact on stakeholders in the value chain

3.2.1 Value Chain

The Company focuses on management throughout the value chain, from upstream to downstream, in order to create value for products and services and meet stakeholders' expectations. From marketing/product development to procurement from quality suppliers both domestically and internationally and in accordance with the

standards set by the official Production that considers the impact on the community and the environment, transportation, and distribution of products that are standardized and fast, responding to a variety of needs until they reach the customer's hand. The details of the business value chain have been disclosed by the Company in the Sustainability Development Report 2021 under the title "Social Management," Section 5.2.2, Consumer.



3.2.2 Stakeholder Analysis

The Company has analyzed key stakeholders both inside and outside the corporate, which is related to the business value chain, and focusing on participating in communication opportunities to listen to opinions, suggestions, and reflect the needs and expectations of stakeholders on the Company's business operations. The Company has disclosed its analysis of key stakeholders in the business value chain in the Sustainability Development Report 2021, titled 5.2.1, Analyzing the Company's Stakeholders.

3.3 Environmental Management

According to the Company's environmental management principles, the Company is taking into account the working environment and the environment that affect employees and surrounding communities by improving and developing the system and focusing on environmental management and conscientious social responsibility, including resource management, fuel energy, and electric power management, as well as water, wastewater and waste management. This significantly reduces the environmental impact of the manufacturing process. The Company has disclosed its environmental management policy and environmental operations in the Sustainability Development Report 2021 titled 5.1 Environmental Management.

3.4 Social Management

The Company is committed to conducting business responsibly and taking into the account in human rights principles, protecting labor rights, safety, and sanitation, as well as creating a good working environment, along with knowledge management and development, continuously increasing personnel's skills and abilities, as well as focusing on taking care of the community and society in order to create value and improve the quality of life of the community and society for sustainable growth. The Company has disclosed the social management and social operations policy in the Sustainability Development Report 2021 titled 5.2 Social Management.

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

4.1 Important Financial Information

Performance Analysis

1. Performance Overview

Summary of the Company's performance

(Unit : Million Baht)

	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Sales	7,159.94	99.34	7,143.48	99.41	16.46	0.23
Total Revenues	7,207.61	100	7,185.94	100	21.67	0.30
Cost of Sales	3,773.53	52.70	3,742.85	52.40	30.68	0.82
Gross Profit	3,386.41	47.30	3,400.63	47.60	(14.22)	(0.42)
Selling and Administrative expenses	1,580.98	21.93	1,609.09	22.39	(28.11)	(1.75)
Net Profit	1,687.67	23.42	1,678.67	23.36	9.00	0.54
Earning per share (baht)	3.75		3.73		0.02	0.54

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

2. Results of Operations

Sales Revenue

As a result of sales and marketing management, the Company's sales revenue in 2021 and 2020 were 7,159.94 million baht and 7,143.48 million baht, respectively, an increase of 16.46 million baht or 0.23 percent from the previous year. This prevents sales from falling into the

COVID-19 situation, which has an effect on the overall economy and the Company. Price adjustments for some items in the fourth quarter of 2021 due to increases in ingredient costs can be analyzed by distribution channel type as follows:

(Unit : Million Baht)

Distribution Channel	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Wholesales Bakery Business	6,609.76	92.31	6,576.07	92.06	33.69	0.51
Retail Bakery Business	97.86	1.37	107.27	1.50	(9.41)	(8.77)
Fast Food & Restaurant	427.96	5.98	443.10	6.20	(15.14)	(3.42)
Export Business	24.36	0.34	17.04	0.24	7.32	42.96
Total	7,159.94	100.00	7,143.48	100.00	16.46	0.23

The sales of the wholesale business are 6,609.76 million baht, an 33.69 million baht, which is a 0.51 percent increase compared to 2020. The Company has expanded the distribution channels to reach more customers that operate a business as a shop, placing vending machines in more places, including adding delivery channels for the customer's convenience when ordering products. In terms of products, the Company has created and developed new products to sell that will expand the options for customers, such as Butterscotch Bread, Raisin Bread, and Dorayaki Ovaltine Crunchy Filling, and Ovaltine Crunchy Filled Hot Dog Bun which has been received positive response from customers.

The retail bakery's sales are 97.86 million baht, an 8.77 percent decrease from 2020. The Company is committed to developing various types of bread that are sold at DeliYa and Madame Marco Cakes that have product developments and patterns as well as types of products that meet consumer demand. By producing small cakes for those who only want a small amount of cake, Ultraman-shaped cakes for children, orange-flavored cakes for the Chinese New Year festival, and so on, as well as introducing new products such as premium croissants, chocolate croissants, and lemon croissants, which have received positive feedback from customers.

Fast Food and restaurant business recorded sales of 427.96 million baht, a decrease of 15.14 million baht compared with the year 2020 due to the lockdown measures. In order to control the spread of COVID-19, various restaurants and fast-food chains had to stop service during that time.

Export business had sales of 24.36 million baht, increased 7.32 million baht compared to the year 2020.

Other Income

The Company has other income in 2021 and 2020

of 47.68 million baht and 42.46 million baht, respectively. increased from the previous year by 5.22 million baht.

Cost of Sales

In 2021, the cost of sales was 3,773.53 million baht, an increase of 30.68 million baht, or 0.82 percent, over 2020 and proportional to sales revenue. The price of the main ingredients, such as wheat flour, was at 52.70 percent, up from 52.40 percent the previous year due to the price of the main ingredients, such as wheat flour which increased at the end of the year. The gross profit margin was 47.30 percent, a decrease from the previous year which is at 47.60 percent.

Selling and Administrative Expenses

Selling and administrative expenses for 2021, in the amount of 1,580.98 million baht, have decreased by 28.11 million baht, which is 21.93 percent of the total revenue, which is 1.75 percent decrease compared to 2020. The decrease results from the depreciation of delivery vehicles and expenses related to the fewer employees due to the decrease in employees in the prior year. However, the only expenses that have increased are the fuel costs for delivering the product, which have significantly increased compared to the prior year. The Company manages the transportation of products by adjusting the way the vehicles run in the delivery of products and has installed GPS on all the vehicles. This makes it possible to control the speed of driving, resulting in fuel savings, decreased fuel consumption, and also another way of reducing greenhouse gas emissions.

Net profit

The Company's net profit was 1,687.67 million baht, up 0.54 percent from the previous year, with a net profit margin of 23.42 percent of total revenue and a share of profit from joint venture investments of 3.25 million baht for the fiscal year 2021.

3. Asset Management

Financial Position

(Unit : Million Baht)

	31 December 2021		31 December 2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Total Assets	11,234.20	100	10,298.89	100	935.31	9.08
Total Liabilities	1,093.73	9.74	1,049.02	10.19	44.71	4.26
Shareholders' Equity	10,140.47	90.26	9,249.87	89.81	890.60	9.63
Total Liabilities and Shareholders' Equity	11,234.20	100	10,298.89	100	935.31	9.08

1. Assets

As of 31 December 2021, total assets were valued at 11,234.20 million baht, an increase of 935.31 million baht or 9.08% from 31 December 2020, consisting of the main assets as follows:

Current assets amounted to 5,678.29 million baht, representing 50.54 percent of total assets, an increase of 554.61 million baht from 31 December 2020, with significant changes as follows:

Cash and cash equivalents increased by 21.42 million baht due to result of operation.

Trade and other receivables increased by 124.22 million baht due to the increase in sales of product at the end of the year from the end of 2020 which causing the increase of the debtor with an average collection period of 40 days.

Inventories increased by 21.34 million baht due to higher ingredients prices at the end of the year.

Current financial assets increased by 390.02 million baht, transfer of non-current financial assets into current financial assets according to the remaining maturity of the securities that are less than 1 year.

Non-current assets amounted to 5,555.91 million baht or 49.46 percent of total assets, an increase of 380.71 million baht from 31 December 2020, with the significant changes as follows:

Property, building and equipment decreased by 195.55 million baht due to depreciation of assets.

Non-current financial assets increased by 576.88 million baht due to the payment of common shares of Saha Capital Tower Company Limited in the amount of 165 million baht and investing in an additional private fund of 200 million baht and bringing the money from Fund management for further investment.

2. Liabilities

As of 31 December 2021, total liabilities were 1,093.73 million baht, or 9.74 percent of liabilities and shareholders' equity increase from 44.71 million baht, or 4.26 percent, as of December 31, 2020, due in part to trade and other accounts payables increased creditors due to rising ingredient prices. The average debt repayment period is 68 days, with the debt-to-equity ratio was 0.11 time.

3. Shareholders' Equity

As of 31 December 2021, shareholders' equity amounted to 10,140.47 million baht, representing 90.26 percent of liabilities and shareholders' equity, an increase from as of 31 December 2020, amounting to 890.60 million baht, resulting from operating profits. As a result, the book value was 22.53 baht per share, an increase from as of 31 December 2020, which was 20.56 baht per share.

4. Liquidity and Suitability of Capital Structure

Liquidity

For the year ended 31 December 2021, the Company had cash flows from operating activities of 1,959.54 million baht, a decrease of 230.05 million baht from the previous year, or 10.51 percent, due to an increase in trade accounts receivable and other receivables, including an increase in inventories compared to last year.

Cash flows used in investing activities was 1,126.61 million baht, a drop of 116.19 million baht from the same quarter of last year due to an increase in circulating fund from selling other current financial assets. Additionally, land for the development of three distribution centers was purchased.

Cash flows from financing activities was 811.51 million baht, a reduction of 133.54 million baht or 14.13 percent. This is due to the payment of lease liabilities and has paid a dividend of 801 million baht

As a result, the Company's cash and cash equivalents increased by 21.42 million baht. As of 31 December 2021, the Company had cash and cash equivalents of 389.77 million baht.

And as of 31 December 2021, the Company had a liquidity ratio of 5.80 times, with a sales period of 1 day, an average collection period of 40 days, and an average payment period of 68 days, causing the Company to have a cash cycle of 27 days.

Suitability of the Capital Structure

The Company's total debt to equity ratio was 0.11 times as of 31 December 2021, which was the same as the rate as of 31 December 2020, which was always low. It has an interest coverage ratio of 3,390.65 times and a debt service coverage ratio of 395.92 times, demonstrating the stability of the Company's capital structure and its ability to pay debt.

4.2 Factors or events that may have a substantial future impact on the financial condition or operations (Forward Looking)

1. Because the Company imports some raw materials and packaging from other countries, fluctuations in foreign exchange rates pose a risk, including machine maintenance, machinery, and spare parts. Severe volatility in foreign currency rates may impact the Company's financial status. On the other hand, the Company has continuously observed and analyzed the fluctuation of currency rates. Forward contracts will be made if there is a time of high volatility to avoid affecting the Company's performance.
2. The condition of the COVID-19 epidemic that happened in 2020 has lasted into 2021 and is still ongoing, harming the world economy, particularly Thailand. These events have an impact on the Company's sales, including tourism businesses, restaurants, hotels, department stores, and other businesses affecting the associated business chain, such as lifestyle changes, working from home, online teaching, and even more online orders. The Company has shifted its concentration to online sales and delivery of items utilizing the Company's own transport vehicles, allowing products to be delivered directly and swiftly to consumers.

4.3 Important Financial Information

4.3.1 Statement of Financial Position

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	389.77	3.47	368.35	3.58	366.62	3.87
Short-term investments	-	-	-	-	2,493.59	26.30
Trade and other receivables	871.30	7.76	747.08	7.25	944.72	9.97
Inventories	189.66	1.69	168.31	1.63	174.25	1.84
Other current financial assets	4,216.19	37.53	3,826.17	37.15	-	-
Other current assets	11.37	0.10	13.77	0.13	14.18	0.15
Total current assets	5,678.29	50.54	5,123.68	49.75	3,993.36	42.12
Non-current assets						
Restricted bank deposit	-	-	-	-	36.35	0.38
Investment in joint venture	31.35	0.28	29.82	0.29	28.42	0.30
Long-term investments	-	-	-	-	1,270.80	13.40
Other long-term investments	-	-	-	-	129.50	1.37
Other non-current financial assets	2,069.78	18.42	1,492.90	14.50	-	-
Property, plant and equipment	3,425.88	30.50	3,621.44	35.16	3,995.53	42.15
Right-of-use assets	8.99	0.08	15.30	0.15	-	-
Advance payments for purchase of assets	4.97	0.04	0.54	0.01	1.11	0.01
Intangible assets	11.51	0.10	11.15	0.11	10.67	0.11
Leasehold rights	-	-	-	-	0.45	-
Deferred tax assets	-	-	-	-	9.65	0.10
Other non-current assets	3.43	0.03	4.06	0.04	4.25	0.04
Total non-current assets	5,555.91	49.46	5,175.21	50.25	5,486.73	57.88
Total assets	11,234.20	100.00	10,298.89	100.00	9,480.09	100.00

Statement of Financial Position (Continued)

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	638.54	5.68	574.30	5.58	627.75	6.62
Current portion of liabilities under finance lease agreements	-	-	-	-	11.17	0.12
Current portion of lease liabilities	5.75	0.05	9.54	0.09	-	-
Corporate income tax payable	123.91	1.10	109.30	1.06	118.97	1.25
Accrued expenses	207.31	1.85	223.74	2.17	246.00	2.59
Other non-current liabilities	3.08	0.03	2.53	0.02	3.48	0.04
Total non-current liabilities	978.59	8.70	919.41	8.92	1,007.37	10.62
Non-current liabilities						
Liabilities under finance lease agreements-net of current portion	-	-	-	-	0.10	-
Lease liabilities, net of current portion	3.50	0.03	6.08	0.06	-	-
Deferred tax liabilities	19.18	0.17	23.60	0.23	-	-
Provision for long-term employee benefits	88.47	0.79	96.10	0.93	99.42	1.05
Other non-current liabilities	3.99	0.05	3.83	0.05	3.83	0.05
Total non-current liabilities	115.14	1.02	129.61	1.26	103.35	1.09
Total liabilities	1,093.73	9.74	1,049.02	10.19	1,110.72	11.72
Shareholders' equity						
Registered, Issued and fully paid-up 450,000,000 ordinary shares of Baht 1 each	450.00	4.01	450.00	4.37	450.00	4.75
Share premium	674.38	6.00	674.38	6.55	674.38	7.11
Retained earnings	45.00	0.40	45.00	0.44	45.00	0.47
Appropriated-statutory reserve						
Unappropriated	8,851.57	78.79	7,940.82	77.10	7,189.82	75.84
Other components of shareholders' equity	119.52	1.06	139.67	1.36	10.17	0.11
Total shareholders' equity	10,140.47	90.26	9,249.87	89.81	8,369.37	88.28
Total liabilities and shareholders' equity	11,234.20	100.00	10,298.89	100.00	9,480.09	100.00
Book Value (Baht per Share)	22.53		20.56		18.60	

4.3.2 Statements of Comprehensive Income

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Profit or loss:						
Revenues						
Sales	7,159.94	99.34	7,143.48	99.41	7,743.97	99.48
Other income	47.67	0.66	42.46	0.59	40.31	0.52
Total revenues	7,207.61	100.00	7,185.94	100.00	7,784.28	100.00
Expenses						
Cost of sales	3,773.53	52.35	3,742.85	52.09	4,143.42	53.23
Selling and distribution expenses	1,335.45	18.53	1,358.03	18.90	1,496.59	19.23
Administrative expenses	245.53	3.41	251.06	3.49	297.81	3.83
Total expenses	5,354.51	74.29	5,351.94	74.48	5,937.82	76.28
Operating profit	1,853.10	25.71	1,834.00	25.52	1,846.46	23.72
Share of profit from investment in joint venture	3.25	0.05	3.44	0.05	4.12	0.05
Finance income	45.91	0.64	60.41	0.84	64.34	0.83
Finance cost	(0.68)	(0.01)	(0.81)	(0.01)	(3.63)	(0.05)
Profit before income tax expenses	1,901.58	26.38	1,897.04	26.40	1,911.29	24.55
Income tax expenses	(213.91)	(2.97)	(218.37)	(3.04)	(210.55)	(2.70)
Profit for the year	1,687.67	23.42	1,678.67	23.36	1,700.74	21.85
Other comprehensive income:						
Other comprehensive income to be reclassified to profit or loss in subsequent periods: Gain (loss) on changes in value of available-for-sale investments- net of income tax	-		-		14.76	
Loss on changes in value of debt investment designated at fair value through other comprehensive income-net of income tax	(5.78)		(3.63)		-	
Other comprehensive income to be reclassified to profit or loss in subsequent periods-net of income tax	(5.78)		(3.63)		14.76	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods: Gain (loss) on change in value of equity investment designated at fair value through other comprehensive income- net of income tax	9.72		(4.54)		-	
Actuarial losses-net of income tax	-		-		(20.42)	
Share of actuarial gain of joint venture-net of income tax	-		-		0.15	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods-net of income tax	9.72		(4.54)		(20.27)	
Other comprehensive income for the year	3.94		(8.17)		(5.51)	
Total comprehensive income for the year	1,691.61	23.47	1,670.50	23.25	1,695.23	21.78
Earnings per share						
Basic earnings per share	3.75		3.73		3.78	

4.3.4 Statements of Cash Flows

(Unit : Million Baht)

	2021	2020	2019
Cash flows from operating activities			
Profit before tax	1,901.59	1,897.03	1,911.29
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	425.42	492.80	528.02
Gain on disposals of property, plant and equipment	(0.67)	(1.99)	(1.97)
Provision for litigation	-	7.70	5.41
Share of profit from investment in joint venture	(3.25)	(3.44)	(4.12)
Gain on sales of short-term investments	-	-	(0.13)
Gain on sales of long-term investments	-	-	(5.09)
Gain on sales of other current financial assets	(0.22)	(0.40)	
Gain on sales of other non-current financial assets	(31.70)	(2.29)	-
Gain (loss) from sales of equity instruments not recognised in profit or loss	30.09	(5.17)	-
Unrealised gain on exchange	(0.14)	(0.08)	(0.06)
Gain from fair value measurement of financial assets	(0.04)	-	-
Provision for long-term employee benefits	8.09	8.25	9.28
Dividend income from listed equity investments	(8.61)	(2.82)	(1.68)
Dividend income from non-listed equity investment	(7.35)	(4.80)	(6.60)
Finance income	(45.91)	(60.41)	(64.34)
Finance cost	0.67	0.81	3.63
Profit from operating activities before changes in operating assets and liabilities	2,267.97	2,325.19	2,373.64
Decrease (increase) in operating assets			
Trade and other receivables	(117.72)	180.76	23.37
Inventories	(21.34)	5.94	9.13
Other current assets	2.39	0.41	7.35
Other non-current assets	0.63	0.47	0.17
Trade and other payables	65.27	(55.39)	(69.14)
Other current liabilities	(17.39)	(29.05)	12.05
Other non-current liabilities	0.16	-	0.33
Provision for long-term employee benefits	(15.72)	(11.56)	(18.37)
Cash from operating activities	2,164.25	2,416.77	2,338.53
Cash paid for income tax	(204.71)	(227.18)	(180.02)
Net cash from operating activities	1,959.54	2,189.59	2,158.51

Statements of Cash Flows (Continued)

(Unit : Million Baht)

	2021	2020	2019
Cash flows from investing activities			
Restricted bank deposit	-	36.35	17.05
Cash paid for short-term investments	-	-	(4,453.07)
Cash paid for long-term investments	-	-	(1,843.67)
Cash paid for other current financial assets	(6,363.36)	(5,227.52)	-
Cash paid for other non-current financial assets	(2,879.11)	(2,501.10)	-
Cash received from sales of short-term investments	-	-	4,401.88
Cash received from sales of long-term investments	-	-	1,040.73
Cash paid for other long-term investments	-	-	(50.00)
Acquisitions of property, plant and equipment	(221.47)	(113.35)	(232.45)
Proceeds from disposals of property, plant and equipment	1.12	3.52	3.05
Decrease in advance payments for purchase of assets	(4.43)	0.57	2.24
Increase in intangible assets	(2.15)	(2.46)	(1.26)
Interest received	56.85	68.77	60.23
Dividend income from listed equity investments	8.65	2.88	1.69
Dividend income from joint venture	1.73	2.05	5.21
Dividend income from non-listed equity investment	7.35	4.80	6.60
Net cash used in investing activities	(1,126.61)	(1,242.81)	(1,041.77)
Cash from financing activities			
Payment of principal portion of lease liabilities	(9.84)	(21.74)	(41.74)
Decrease in long-term loans from directors	-	-	(71.39)
Decrease in long-term loans from employees	-	-	(39.55)
Cash paid for interest expenses	(0.67)	(0.81)	(3.63)
Dividend payments	(801.00)	(922.50)	(747.00)
Net cash used in financing activities	(811.51)	(945.05)	(903.31)
Net increase in cash and cash equivalents	21.42	1.73	213.43
Cash and cash equivalents at beginning of year	368.35	366.62	153.19
Cash and cash equivalents at end of year	389.77	368.35	366.62

Financial Ratio

		2021	2020	2019
Liquidity Ratios				
Current Ratio	(Times)	5.80	5.57	3.96
Quick Ratio	(Times)	5.60	5.37	3.76
Cash Flow Liquidity Ratio	(Times)	2.06	2.27	2.09
Average Collection Period	(Day)	40	42	43
Average Finish Goods Period	(Day)	1	1	1
Average Inventory Period	(Day)	13	12	12
Average Payment Period	(Day)	68	68	69
Cash Cycle	(Day)	(27)	(25)	(25)
Profitability Ratios				
Gross Profit Margin	(%)	47.30	47.60	46.49
Net Profit Margin	(%)	23.42	23.36	21.67
Return On Equity	(%)	17.41	19.05	21.54
Efficiency Ratios				
Return on Assets	(%)	15.68	16.97	18.72
Return on Fixed Assets	(%)	59.97	49.37	53.82
Total Asset Turnover	(Times)	0.67	0.73	0.86
Financial Policy Ratios				
Debt to Equity Ratio	(Times)	0.11	0.11	0.13
Interest Coverage Ratio	(Times)	3,390.65	2,876.14	654.49
Commitment Coverage Ratio	(Times)	395.92	243.98	212.52
Dividend Payout Ratio	(%)	N/A	50.98	50.24

5. General Information and Other Important Information

5.1 General Information

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

5.2 Other important information

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

- None -

5.2.2 Restrictions on foreign shareholders

-None-

5.3 Legal Disputes

The Company has no lawsuits or a dispute of nature.

1. Cases that may have a detrimental impact on the Company's assets (the Company is the defendant who is sued for damages) with a value greater than 5percent of the owners' equity as of December 31, 2021, or
2. Cases in which the Company's business is considerably impacted but the impact cannot be quantified; or
3. Cases that are not caused by the Company's routine operations

The Company, on the other hand, has revealed in consolidated financial statements No.5 and 28.6.

5.4 Secondary Market

-None-

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

-None-

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policies and Practices

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

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

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

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

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

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

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

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

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

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

Code of Conduct 1

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

Code of Conduct 2

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

Code of Conduct 3

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

Code of Conduct 4

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

Code of Conduct 5

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

Code of Conduct 6

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

Code of Conduct 7

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

Code of Conduct 8

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

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

Compliance with Good Corporate Governance Principles

In 2021, the Board of Directors requires that the corporation adhere to the 8 principles of good corporate governance, which are divided into 5 categories:

5 categories of Principles of Corporate Governance:

1. Rights of Shareholders

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

1.1 The Company's shareholders' meeting is scheduled to hold an annual general meeting of shareholders within no more than 4 months from the end of the fiscal year. In 2021, the Company held the 42nd Annual General Meeting of Shareholders on 19 April 2021, at 9.30 a.m. meeting room floor 6, Bangchan Factory at Bang Chan Industrial Estate. The meeting place is convenient to travel to because it is near the main road and has been announced in a Thai daily newspaper regarding the notice of the Annual General Meeting of Shareholders not less than 3 consecutive days before the meeting date announced during 7-9 April 2021, and such information is published at www.farmhouse.co.th/ Including investment information, as well as an opportunity for shareholders to submit questions in advance of the meeting date.

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

- Director Appointment Agenda : The Company allows shareholders to elect directors individually by providing name and surname, age, educational background, work history, number of companies holding directorships separately, listed companies, and general companies. The criteria and methods for nominating the types of directors who present information on attendance and the number of years in office in the case of nominations for the former director by nominating the aforementioned directors have been reviewed by the Nominating Committee.

- Director's Remuneration Agenda : The Company has provided data regarding the types and amounts of payments, as well as policies and criteria for determining the remuneration of directors that have been determined and refined by the Remuneration Committee.

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

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

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

At the 2021 general meeting of shareholders, 15 directors attended the meeting. Those, including the Chairman of the Board of Directors, in addition to the Chief Executive Officer in Accounting and Finance, Executive Director and Auditor of the Company who attended the meeting for shareholders to ask questions on related matters. The Company arranged for an inspector to witness the vote counting for each agenda item by inviting the Company's auditors, namely EY Office Limited, as well as representatives of legal advisory firms to ensure that the meeting is transparent and follows the Company's regulations.

And the Company has also disclosed the resolutions of the shareholders' meeting together with the voting results of each agenda item to inform the Stock Exchange on 19 April 2021.

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

2. Equitable Treatment of Shareholders

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

2.1 Shareholders' meeting: The invitation letter and supporting documents will be sent to shareholders at least 10 days in advance of the meeting date. The invitation letter for the meeting was prepared in both Thai and English versions. The English version of the shareholders can be viewed at www.farmhouse.co.th. Additionally, if it is necessary to propose a special agenda for an urgent case that affects or is related to the interests of the shareholders or is involved in the conditions or regulations of the government that require approval from the shareholders, the Company will call The Extraordinary General Meeting of Shareholders is on a case-by-case basis, and the Company allows shareholders to propose matters for inclusion in the meeting agenda and/or to nominate a person to be considered for election as the Company's director one month in advance in 2021, starting from 1 - 30 December 2021.

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

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

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

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

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

2.3 Supervision of internal information

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

3. Taking into Account The Roles of Stakeholders

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

To Shareholders

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

1. Respect ownership rights and treat shareholders equally and fairly.
2. Operate by adhering to the principles of good corporate governance; this will contribute to the development of shareholder confidence and trust, which will result in sustainable growth.
3. The business of the Company is always evolving in order to progress, provide shareholders with reasonable returns.
4. Report important information that affects or may affect shareholders’ rights, both information reported on an accounting period basis and information reported on an event basis in accordance with applicable laws and notices, without taking any action that restricts shareholders’ access to the Company’s information.

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

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

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

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

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

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

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

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

Dividend in 2020	Baht per Share	Date of Payment
Paid from Net profit and Retained earnings for the six-month period ended 30 June 2020	0.96	16 September 2020
Paid from Net profit and Retained earnings for the year 2020	0.94	17 May 2021
Total	1.90	

Dividend in 2021	Baht per Share	Date of Payment
Paid from Net profit and Retained earnings for the six-month period ended 30 June 2021	0.84	22 September 2021
Paid from Retained earnings	Wait for approval	Wait for approval

To Customers

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

1. Conduct business in the field of production, sales and services that are safe for consumers and environmentally friendly.
2. Conduct business with tenacity, develop products and services, discover new technologies, and consistently add value to products and services to suit customers' needs, along with providing the information necessary to make decisions without hiding or misrepresenting the facts.
3. Conduct business with honesty, integrity, and fairness; refrain from violating the customer's rights or maintaining the customer's trade secrets; refrain from using them for the profit of yourself or those involved in wrongdoing.
4. Not demanding or agreeing to receive any assets or any other dishonest benefits from customers, either directly or indirectly.
5. Adhere to trade agreements. If this is not possible, inform customers in advance so that they can collaborate to find a solution and avert damage.
6. Provide means for customers to communicate with the Company, and complaints should be handled fairly.

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

To Trade Partner

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

1. There is a system for selecting trading partners in the value chain who conduct business according to the law, comply with safety and occupational health standards, are environmentally friendly, and fair treatment of trading partners based on fair competition and respect for each other.
2. Maintain the confidentiality of trade partners' information and do not misuse it for the benefit of oneself or those involved.
3. Establish mutual trust and understanding, share expertise, collaborate to improve products and services, and provide value to them in order for both businesses to succeed.

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

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

To Competitors

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

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

2. Do not jeopardize competitors' reputations.

The Company has not had any disagreements with competitors in the last year.

To Payables

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

1. Treat all payables equally and fairly

2. Strictly adhere to contracts or agreed-upon terms

3. Manage business to reassure payables about the Company's financial position and solvency

4. Disclose the financial condition accurately and timely

5. If one of the conditions cannot be met, promptly notify the payables in advance to collaborate to find a solution and avoid damage.

In 2021, The Company paid trade accounts payable as per the pre-agreed payment terms without incurring any defaults, and the Company currently has no payables for any loans.

To Employees

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

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

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

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

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

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

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

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

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

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

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

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

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

Fair Treatment of Employees

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

Guidelines for Employee Recruitment

1. Adhere to human rights-sensitive recruiting, selection, and employment policies, refrain from discrimination and prioritize the principles of knowledge, competence, fairness, and equality.
2. Employ no illegal or child labor and do not permit minors to work in ways that are harmful to their health, development, or compulsory education.
3. Adhere fully to labor laws and related regulations, including the protection of employees' rights equally and fairly.
4. Establish a system of employment with a valid employment contract and/or a transparent employment agreement.

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

Employee Remuneration Practices

1. Determine earnings or salaries that are not less than the minimum wage needed by law, as well as wage rates that are equitable with labor skill criteria. Do not discriminate based on personal traits like nationality, race, religion, or sex, but based on the employment principle of equal effort and equal compensation.
2. Consider the wage adjustment or salary for a group of workers with varying levels of knowledge, skills, talents, and responsibilities fairly and appropriately. The criteria are established in accordance with the regulations governing employment evaluation and promotion.
3. There is a timekeeping system, performance reporting, and the establishment of transparent and auditable procedures.

Guidelines for Labor and Employees Relations

1. Provide opportunities for employees to participate in management through the workplace welfare committee and other committees, allowing them to express their ideas, make suggestions, and participate in decision-making regarding the organization's operations.
2. Treat workers and employees fairly and take advantage of the benefits available to employees under all types of employment contracts. Provide a complaint and/or complaint system as a means of communication to foster mutual understanding and positive relationships, including employment fairness.
3. Do not obstruct, interfere, or take any action that will affect the exercise of employees' rights that does not have a detrimental effect on the Company's business operations and/or violate the law. The employee's activities are considered to comply with the beliefs of race, religion, gender, disability, national origin, and other factors.

Guidelines for Grievances or Employee Complaints

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

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

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

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

Management of Welfare and Other Benefits

The Company has emphasized training and development of knowledge and skills, consistently enhancing employees' capacities and giving possibilities for professional progression based on each individual's potential. Simultaneously, the company promotes the creation of a positive atmosphere and working environment by considering the safety of employees' lives, health, and property, as well as by establishing a committee of work safety departments to oversee this specific task of strengthening and improving employee quality of life through various forms of welfare.

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

Health and Safety

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

Living expenses assistance

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

Morale and Encouragement

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

Savings for the Future

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

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

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

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

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

To the Community and Society

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

1. Do not conduct a business that degrade society and violate the rights of individuals who are involved in the community and society.
2. Cultivate a continual and serious sense of duty toward the community and society at large among the Company and its employees at all levels.
3. The Company's primary responsibility and policy is to focus on community and social activities by promoting sustainable social, community, and environmental development, which includes supporting youth education and public benefit activities in the communities surrounding the factory.
4. Provide the correct information and create understanding by listening to problems and potential impacts on the surrounding communities to manage corrections on time. Thus, the community and the factory may coexist together, with each receiving what they require from the other.
5. Establish measures to prevent and mitigate the adverse effects of the Company's operations on communities and society.

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

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

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

9. Collaborate with a variety of community development organizations.

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

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

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

To the Environment

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

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

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

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

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

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

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

6. Advance and distribute ecologically friendly technologies.

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

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

To the Public Sector

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

1. Study and comprehend the applicable rules and regulations and abstain from doing any action that violates the law.

2. Operate appropriately while interacting with government personnel or agencies.

3. Establish a positive relationship between the Company and the government within a reasonable boundaries.

4. Adhere to the applicable laws, customs, and traditions governing business activities in each country or locale.

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

Non-infringement of Intellectual Property

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

1. Conduct business in line with applicable intellectual property rules, regulations, and contractual commitments.
2. Take care of the company's intellectual property and refrain from using such intellectual property or allow others to do so without permission.
3. Respect other people's intellectual property rights. Do not infringe or use the work of others for personal gain unless the owner of the piece grants permission or compensation.
4. The employee's work or that which results from the performance of tasks shall be considered intellectual property of the Company and such intellectual property must be surrendered to the company upon the employee's retirement, regardless of the format in which the data is stored.

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

Non-violation of Human Rights

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

1. No action or non-support of human rights violations
2. Provide employees with comprehensive knowledge of human rights principles that they may use to their work.

3. There are no restrictions on independence or differences of opinion, whether they are related to gender, race, religion, politics, or any other subject. However, expressing opinions that may cause conflicts or divisions should be avoided.

4. Provide means of contact for employees and anyone who believe their rights have been infringed or who believe they have been treated unfairly. They can complain to the Company and complaints should be taken care of and treated fairly.

4. Disclosure and Transparency

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

1. Information reported according to accounting period, i.e. financial statements, annual registration statement (Form 56-1) and annual reports.
2. Information is presented on an event-by-event basis, including the acquisition/disposition of assets, related transactions and investment involvement, dividends paid/not paid, financial support, etc.

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

Publication of information on the Company's website includes:

- Company Vision and Mission
- Nature of business operation

- Good Corporate Governance Policy of the Company, Business Ethics, Code of Conduct of Company director, Management and staff
- Corporate Sustainability Development Policy
- Environmental Management Policy
- Social Management Policy
- Anti-Corruption Policy and Procedures
- Board of Directors Charter, Company Secretary Charter
- Audit Committee Charter
- Corporate Governance and Risk Management Committee Charter
- Nomination and Remuneration Committee Charter
- Internal Audit Charter and the Code of Conduct of the internal auditors
- List of major shareholders
- Quarterly and annual financial statements, including current and previous year's editions
- Annual Report and Form 56-1
- Criteria for the Right of Shareholders to Propose Agenda
- Invitation to the Shareholders' Meeting, Minutes of the Annual General Meeting of Shareholders
- and various marketing news and the Company's social activities

The Board of Directors recognizes that the Company's information both financial and non-financial are all affect investors and stakeholders of the Company to make a decision. Therefore, the management has been instructed to proceed with the disclosure of complete information, accurate, reliable, consistent, and timely, including an annual financial reporting responsibility report. In 2021, a management discussion and analysis were prepared for the disclosure of financial statements that the management has always given importance and adhered.

Anti Corruption, Corruption

"Company" is the leader in the production and distribution of bakery which creates the highest popularity and satisfaction for consumers as well as providing confidence to all groups of stakeholders. Therefore, a transparent management system has been effectively developed in accordance with the principles of good corporate governance. The Company will not accept any form of corruption, both directly and indirectly. Therefore,

it has signed a declaration of intent to join the project "Collective Action Coalition of the Thai Private Sectors Fight Corruption" on 22 April 2016, and the first membership renewal on 4 November 2020, and end on 4 November 2022. The Company will continue to implement the anti-corruption policy continuously with the realization that corruption will be a major obstacle to the development of the organization and the country and set a goal to comply with the relevant criteria to be renewed as a member of the Thai Private Sector Collective Action Coalition Against Corruption No. 2 in 2022.

The Company has established an anti-corruption policy to clarify the Company's guidelines and also be a requirement for the Company's directors, executives, and all employees to comply with the policy to develop into a sustainable organization. In the Board of Directors' meeting No. 8/21, dated 23 August 2021, the Board of Directors reviewed and improved the policy and anti-corruption regulations In accordance with the details that the Thai Private Sector Collective Action Coalition has added and current business operations are as follows:

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

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

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

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

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

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

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

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

In 2021, the Company has not received any whistleblower or complaints about violations or corruption.

5. Responsibilities of the Board of Directors

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

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

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

6.2 Business Ethics

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

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

6.3.1 Significant Changes and Developments

At the Board of Directors Meeting No. 8/21, held on 23rd August 2021, there was a review of important changes in the anti-corruption policy and anti-corruption regulations by adding a detailed definition practice guidelines of the form of fraud in the matter of payment of facilitation, hiring government employees and conflicts of interest that the Thai Private Sector Collective Action Coalition against Corruption has additionally specified in the Self-Assessment Form for Developing an Anti-Corruption System, Vol. 4.0

Risk Management Policy has a key of development has to use the COSO - ERM 2017 framework as a framework for internal risk management and full implementation in 2021 with a focus on linking risk management with vision, mission, corporate values, strategy, and business objectives of the Company to available to make a measure the desired operational results including systematic monitoring and reporting of results.

Including the promotion of corporate culture by defining "Ethics" as one of the core values "FARMHOUSE ACTIVE" and declaring guidelines in writing as a framework for expected behavior by the vision and the mission of the organization and as the foundation to support good behavior for all employees.

In addition, in 2021, the Company has established a sustainable development policy to be a framework for managing sustainable development based on good corporate governance as a core foundation that will help strengthen the organization available to grow stably and has to be efficient in business operations. Along with giving importance to the environment, society, and adherence to good governance, known as "ESG", to build trust with the stakeholders of the organization, has the transparency in business operations and continuous innovation development, taking responsibility for the community, society, and environment which sustainability that is included in every business process (ESG in-process) of an organization.

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

In 2021, the practices that the Company did not follow, as the Company has replaced measures that are suitable for business operations as follows:

Code of Conduct	Company's Substitution Measures
Independent directors hold positions continually not more than 9 years.	The Company believes that the independent director of the Company is a person who has all the qualifications according to the definition of an independent director and can perform duties with independence. However, in 2021, all independent directors shall hold office for no more than 9 consecutive years.
The Board should consist of more than 50% independent directors.	The Company has complied with the principle that the Office of the Securities and Exchange Commission requires the structure of independent directors at least one-third of the Board of Directors. Currently, there are 5 independent directors, representing one-third.

Code of Conduct	Company's Substitution Measures
Chairman of the Board is not an independent director duties	The Chairman of the Board of Directors have well knowledgeable, capable, and have firm-specific the Company's business and has performed his with independence, allowing all directors to freely express their opinions and offer suggestions that are beneficial to the Company.
Chairman of the nomination and remuneration committee is not an independent director	The chairman of the nomination and remuneration committee is a non-executive director with well knowledge, ability, experience, and understanding of the Company's business, including performing duties with responsibility.
The Board of Directors consists of directors between 5-12 people.	The Board of Directors of the Company consists of 15 members. The composition consists of 3 groups, independent directors, non-executive directors, and the executive committee for the balance in management, and by the Company's regulations that there is a board of directors of not less than 5 people. However, the Company must consider the number of directors taking into account the suitability and the size of the business.

6.3.3 Compliance with CG CODE

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

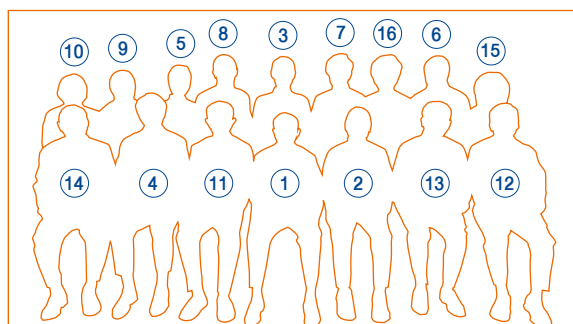
The Board of Directors has assessed compliance with the CG Code to ensure that a process has been implemented or has a development plan to suit the business for the benefit of creating sustainable business value meet the expectations of the business sector, investors as well as the capital market and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

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



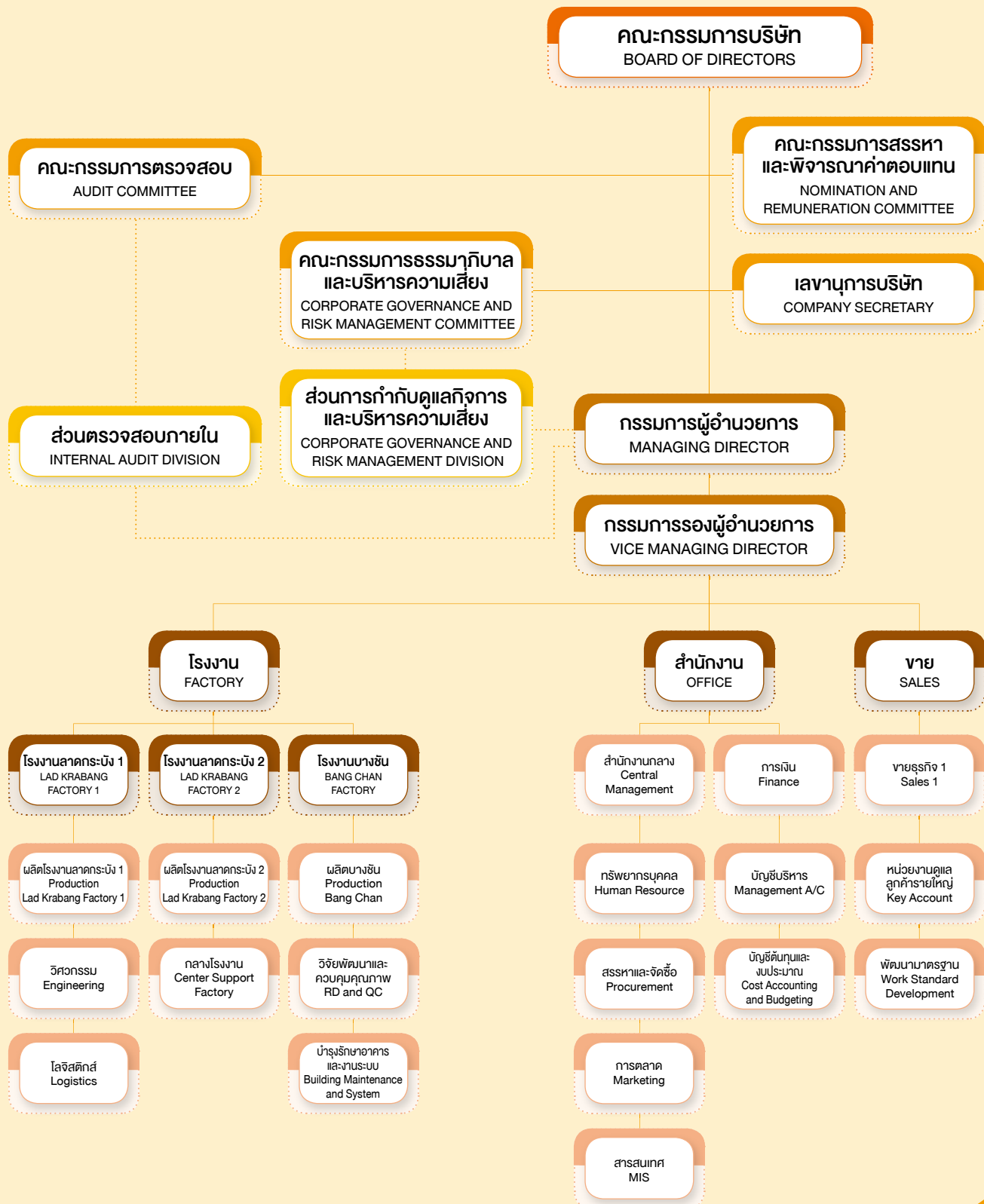
82

1. **Mr. Pipat Paniangvait**
Chairman of the Board
2. **Mr. Apichart Thammanomai**
Vice Chairman of the Board and Managing Director
3. **Mr. Apisate Thammanomai**
Vice Managing Director
4. **Mr. Vichai Kulsomphob**
Director
5. **Ms. Petcharat Anantawichai**
Director and Senior Management Accounting Dept. and Finance Dept. Manager / Company Secretary
6. **Ms. Panida Prayottaweekij**
Director and Senior Production Manager
7. **Dr. Pojjanee Paniangvait**
Director
8. **Mr. Pun Paniangvait**
Director
9. **Ms. Saipin Kittipornpimol**
Director and Assistant Managing Director
10. **Ms. Ubolluck Luevoravinyu**
Director and Assistant Managing Director
11. **Prof. Dr. Teravuti Boonyasopon**
Chairman of Independent Director and Chairman of Audit Committee
12. **Mr. Wattanachai Chotechutrakul**
Independent Director and Audit Committee
13. **Prof. Piyamirt Sritara**
Independent Director
14. **Mr. Thanapich Mulapruk**
Independent Director and Audit Committee
15. **Mrs. Aim-On Pathumarak**
Independent Director and Audit Committee
16. **Ms. Malee Tangjaisanong**
Advisor to the Board and Assistant Managing Director



7.1 Governance Structure

Organization Chart 2021



7.2 Board of Directors Information

7.2.1 Composition of the Board of Directors

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

Composition of the Board of Directors

The Board of Directors consists of individuals with a wide range of knowledge, abilities, and experiences, have specific skills that are useful to the Company, understand

the role, responsibility, leadership, give suggestions in every aspect, and always give good ideas to the Company.

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

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

7.2.2 Information of the Board of Directors

Board of Director Name List as at 31 December 2021 as follow :

Name	Position
1. Mr. Pipat Paniangvait	<ul style="list-style-type: none"> • Chairman of the Board • Chairman of the Nomination and Remuneration Committee
2. Mr. Apichart Thammanomai	<ul style="list-style-type: none"> • Vice Chairman of the Board and Managing Director • Director of the Nomination and Remuneration Committee
3. Mr. Apisate Thammanomai	<ul style="list-style-type: none"> • Vice Managing Director • Corporate Governance and Risk Management Committee
4. Mr. Vichai Kulsomphob	<ul style="list-style-type: none"> • Director
5. Miss Petcharat Anantawichai	<ul style="list-style-type: none"> • Director • Corporate Governance and Risk Management Committee • Company Secretary
6. Miss Panida Prayottaweekij	<ul style="list-style-type: none"> • Director • Corporate Governance and Risk Management Committee
7. Dr. Pojjanee Paniangvait	<ul style="list-style-type: none"> • Director • Corporate Governance and Risk Management Committee
8. Mr. Pun Paniangvait	<ul style="list-style-type: none"> • Director
9. Miss Saipin Kittipornpimol	<ul style="list-style-type: none"> • Director • Corporate Governance and Risk Management Committee
10. Miss Ubolluck Luevoravinyu	<ul style="list-style-type: none"> • Director • Corporate Governance and Risk Management Committee

Name	Position
11. Prof. Dr. Teeravuti Boonyasopon	• Chairman of Independent Director and Chairman of Audit Committee
12. Mr. Wattanachai Chotechutrakul	• Independent Director and Audit Committee • Director of the Nomination and Remuneration Committee
13. Prof. Piyamitr Sritara	• Independent Director
14. Mr. Thanapich Mulapruk	• Independent Director and Audit Committee • Chairman of Corporate Governance and Risk Management Committee
15. Mrs. Aim-on Pathumarak	• Independent Director and Audit Committee • Corporate Governance and Risk Management Committee

Name	Position
1. Ms. Malee Tangjaisanong	• Advisor to the Board and Assistant Managing Director

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

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

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

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

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

Director Authorized to Sign on Behalf of the Company

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

Chairman of the Board, Vice Chairman and Managing Director

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

Powers, Duties and Responsibilities of the Chairman

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

Powers and Duties of the Vice Chairman and Managing Director

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

1. Has the authority to manage the business according to the objectives, articles of association, resolutions of the shareholders' meeting and all resolutions of the Board of Directors' meeting.
2. Has the authority to consider and approve investment transactions such as buying and selling investments or fixed assets, etc. within the limit for each project not exceeding 10 million baht or equivalent.
3. Has the authority to consider and approve debt incurred transactions such as borrowing money, etc., within the limit for each item not exceeding 100 million baht or equivalent.
4. Has the authority to use discretion in the ordinary course of business administration for the Company's implementation. However, the exercise of powers of the aforementioned attorneys cannot be done, if the attorney may have a stake or may have a conflict of interest in any manner with the Company and its subsidiaries when exercising their power as mentioned

Company Secretary

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

1. Prepare and maintain the following documents:
 - Committee Registration
 - Board of Directors' meeting notice, meeting minutes, and annual report
 - Notice of the shareholders' meeting and the minutes of the shareholders' meeting
2. Keeping stakeholder reports as reported by directors or executives.

3. Submit a copy of the report of interest under Section 89/14 to the chairman of the Board of Directors and the chairman of the audit committee within 7 working days from the date the Company receives the report.

4. Provide preliminary advice to the committee on legal matters, registration, and regulations of the Company.

5. Contact and communicate with general shareholders to be informed of their rights of shareholders and company news.

6. Support the Company's management by the principles of good corporate governance.

7. Other actions as announced by the Capital Market Supervisory Board

7.3 Information about sub-committees

The Board of Directors has appointed three sub-committees comprising the audit committee, nomination and remuneration committee, and the corporate governance and risk management committee to support and promote the management of each department of the organization for efficient operations and by the principles of good corporate governance.

7.3.1 Audit Committee

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

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

At present, the Audit Committee consists of 4 independent directors who are knowledgeable, expertise and the appropriate experience was appointed according to the resolution of the Board of Directors Meeting No. 4/2021 dated 19 April 2021.

Name	Position
1. Prof. Dr. Teeravuti Boonyasopon	Chairman of Audit Committee
2. Mr. Wattanachai Chotechutrakul	Audit Committee
3. Mr. Thanapich Mulapruk	Audit Committee
4. Mrs. Aim-on Pathumarak	Audit Committee

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

Scope of Powers and Duties of the Audit Committee

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

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

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

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

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

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

- (1) An opinion about accuracy, completeness, and reliability of the Company's financial reports.
- (2) Opinions on the sufficiency of the Company's internal control system.
- (3) Comments on Legal Compliance on Securities and Exchange, regulation of SET or laws related to the Company's business.
- (4) Opinions on the suitability of the auditor.
- (5) Comments on transactions that may subject to conflicts of interest.

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

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

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

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

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

- (1) Items that may have conflicts of interest
- (2) Corruption or abnormality, or a crucial defect in the internal control system
- (3) Violations of the law of Securities and Exchange Regulations of the Stock Exchange of Thailand or the Company's related laws

If the Board has commit no action in addressing the issues within the specified period, any member of the Audit Committee may report those issues against the Securities and Exchange Commission or the Stock Exchange of Thailand

9. Review and certify the self-assessment on anti-corruption measures assessed by the Corporate Governance Division, to ensure that the Company has various anti-corruption systems as reported in the self-assessment form of the Thai Institute of Directors Association (IOD).

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

7.3.2 Nomination and Remuneration

Committee

The Board of Directors has appointed the nomination and remuneration committee with a term of office is 1 year from the date the Board of Directors has the resolution to appoint. In 2021, the committee has been

responsible for nominating qualified persons for the position of director and considering the criteria for paying remuneration to the Board of Directors and sub-committees, appropriate to the duties and responsibilities and within the limit approved by the annual general shareholders' meeting. In 2021, the Nomination and Remuneration Committee as follows:

Name	Position
1. Mr. Pipat Paniangvait	Chairman of the Nomination and Remuneration Committee
2. Mr. Apichart Thammanomai	Director of the Nomination and Remuneration Committee
3. Mr. Wattanachai Chotechutrakul	Director of the Nomination and Remuneration Committee

Scope of Powers and Duties of the Nomination and Remuneration Committee

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

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

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

7.3.3 Corporate Governance and Risk Management Committee

The Board of Directors appointed the corporate governance and risk management committee. The committee consists of at least 3 members by selecting from the directors and senior executives of the Company with appropriate knowledge, abilities, and experiences.

Governance and Risk Management Committee has the term of office for 1 year from the date of appointment. The committee who complete the term can be re-appointed to a new position as the Board of Directors deems appropriate to set a meeting together at least 4 times a year, to supervise the implementation of the good corporate governance policy and to ensure effective implementation of the risk management process as a continuous system according to the specified framework.

Name	Position
1. Mr. Thanapich Mulapruk	Chairman of Corporate Governance and Risk Management Committee
2. Mr. Apisate Thammanomai	Corporate Governance and Risk Management Committee
3. Miss Petcharat Anantawichai	Corporate Governance and Risk Management Committee
4. Miss Panida Prayottaweekij	Corporate Governance and Risk Management Committee
5. Dr. Pojjanee Paniangvait	Corporate Governance and Risk Management Committee
6. Miss Saipin Kittipornpimol	Corporate Governance and Risk Management Committee
7. Miss Ubolluck Luevoravinyu	Corporate Governance and Risk Management Committee
8. Mrs. Aim-on Pathumarak	Corporate Governance and Risk Management Committee

Scope of Authority and Responsibilities of the Corporate Governance and Risk Management Committee

Corporate Governance

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

Risk Management

1. Consider and give opinions on policies and risk management manuals.
2. Supervise the implementation of the risk management process and system effectively and continually, according to the specified risk management framework.

3. Consider the results of the risk assessment, risk appetite and risk management plan which has been endorsed by Executive officer.

4. Supervise and follow up on the result of correction and improvement of the remaining risks to an acceptable level through the corporate governance and risk management section.

5. Build credibility with the Board of Directors in the risk management process.

7.3.4 Non-Executive Directors

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

Name	Position
1. Mr. Pipat Paniangvait	Chairman of the Board
2. Prof. Dr. Teeravuti Boonyasopon	Independent Director
3. Mr. Thanapich Mulapruk	Independent Director
4. Mr. Vichai Kulsomphob	Director
5. Dr. Pojjanee Paniangvait	Director

Name	Position
6. Mr. Pun Paniangvait	Director
7. Mr. Wattanachai Chotechutrakul	Independent Director
8. Prof. Piyamitr Sritara	Independent Director
9. Mrs. Aim-on Pathumarak	Independent Director

Scope of Powers and Duties of Non-Executive Directors

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

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

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

7.4 Executive Information

7.4.1 List of name and position of executives

On 31st December 2021, the management of the Company are executives according to the definition of the Office of the Securities and Exchange Commission. There are 7 persons as follows:

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

Details of directors and executives are in Attachment 1.

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

Remuneration	Number (person)	Amount (Baht)	
		2021	2020
Total Salary	7	28,478,800	27,190,950
Total Bonus	7	6,575,540	6,231,770
Total		35,054,340	33,422,720

Other Remuneration

Contribution to Provident Fund for executive committee

Remuneration	Number (person)	Amount (Baht)	
		2021	2020
Contribution to Provident Fund	3	497,940	434,900
Total		497,940	434,900

Possessing of the Company's Securities of Directors and Executives

Directors and executives of the company holding the Company's securities as of 31 December 2021, and 2020 are as follows:

Board of Directors and Executives	Number of Shares as at 31 December (par value 1 Baht)		
	2021	2020	change
Securities Holder-Director			
1. Mr. Pipat Paniangvait	14,896,150	14,896,150	-
Spouse and children under legal age	63,250	63,250	-
2. Mr. Apichart Thammanomai	1,819,970	1,819,970	-
Spouse and children under legal age	1,500,000	1,500,000	-
3. Mr. Apisate Thammanomai	3,344,810	3,344,810	-
Spouse and children under legal age	-	-	-
4. Mr. Vichai Kulsomphob	100,000	100,000	-
Spouse and children under legal age	-	-	-

Board of Directors and Executives	Number of Shares as at 31 December (par value 1 Baht)		
	2021	2020	change
5. Miss Petcharat Anantawichai	50,000	50,000	-
Spouse and children under legal age	-	-	-
6. Miss Panida Prayottaweekij	25,000	25,000	-
Spouse and children under legal age	-	-	-
7. Dr. Pojjanee Paniangvait	1,234,480	1,234,480	-
Spouse and children under legal age	-	-	-
8. Mr. Pun Paniangvait	276,870	276,870	-
Spouse and children under legal age	-	-	-
9. Miss Saipin Kittipornpimol	-	-	-
Spouse and children under legal age	-	-	-
10. Miss Ubolluck Luevoravinyu	-	-	-
Spouse and children under legal age	-	-	-
11. Prof. Dr. Teeravuti Boonyasopon	-	-	-
Spouse and children under legal age	-	-	-
12. Mr. Wattanachai Chotechutrakul	-	-	-
Spouse and children under legal age	-	-	-
13. Prof. Piyamitr Sritara	-	-	-
14. Mr. Thanapich Mulapruk	135,000	135,000	-
Spouse and children under legal age	-	-	-
15. Mrs. Aim-on Pathumarak	-	-	-
Spouse and children under legal age	-	-	-
Securities Holder-Advisor to the Board			
1. Ms. Malee Tangjaisanong	483,220	483,220	-
Spouse and children under legal age	-	-	-
Total	23,928,750	23,928,750	-

7.5 Employees Information

Personnel

As of 31 December 2021, the number of employees of the Company is divided by the main field as follows:

(Unit : Person)

Main Department	2021	2020
1. Production	2,212	2,619
2. Sales	2,052	2,128
3. Accounting and Financial	84	87
4. Engineering	178	139
5. Marketing	76	25
6. Other	73	78
Total	4,675	5,076

Personnel's Remuneration

(Unit : Baht)

	2021	2020
Total Salary	792,345,380.00	823,935,090.00
Total Bonus	144,274,292.00	145,099,320.00
Contribution to Provident Fund	27,741,789.00	27,350,585.00
Total	964,361,461.00	996,384,995.00

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

has been registered", with net assets 548,474,428.56 baht, with TISCO Asset Management Company Limited as the fund manager. The Company also encourages employees to have their own place of residence, causing stability in life and family in cooperation with the Government Housing Bank since 15 October 1990 at a lower interest rate than the market. Currently, 493 employees benefit from such home loaning.

Policy on Personnel Development and Promotion

President Bakery Public Company Limited has prioritized human resource development at all levels and is committed to developing knowledge, competence, and continually increasing the skills of various operations personnel in order to foster creative thinking, keep up with innovation, and modern technology through an integrated analytical personnel development plan that has been designed from all demand in individuals, departments, and organizations, as well as individuals. The following is a human resource development action plan:

1. Annual Development and Training

Regarding development and training, the Company has a plan for training and development of personnel every year, to review and improve the development to be current and support long-term plans according to the curriculum analyzed from the organization's policy, vision, and mission, as well as survey and analysis of training needs of various departments in each area as follows:

- **Quality Systems and Food Safety Courses** to enable employees to learn standards and practices to ensure that produced products are good, clean, and safe, with nutritional value for consumers of all ages, groups, races, and religions through training centers, as well as learning from their respective agencies for employees to have more knowledge, understanding, and expertise in the procedures.

- **Occupational safety courses and emergency response plans** to enable employees to learn, having understanding of the methods and procedures for conducting own self to ensure safety for the operators, colleagues and corporate assets, including emergency procedures which are to prepare for various situations such as first aid, resuscitation, fire fighting drills, fire evacuation and work safety regarding hoists, etc.

- **On-Job Training : (OJT)** Internal departments The Company provides practical training for employees to try when working as well as in real life, along with learning through experience which is an important learning tool. The Company is also developing working skills through the department so that employees can fully understand the operation.

- **In-house training** focused on specific developments for encouraging employees learn the part that related to their work, to gain expertise such as maintenance of production line machines, reduce crashes of machinery (Break down), control costs and reduce the amount of waste that occurs by creating a joint training project between 5S activities and multiplicative maintenance (TPM: Total Productive Management) through the "5S and TPM Synergy" model for senior supervisors. As well as encouraging employees to be experts in sensory expert, which can distinguish products from touch, smell, taste, sight and hearing in testable products, as well as know of raw materials used in production specialized skills development training in project management to gain knowledge, understanding and ability to be an effective project manager professionally.

- **Training with External Agencies:** The Company has sent personnel to train with external agencies for specific courses necessary with the agencies, training institutes, or speakers with unique expertise to allow employees to add knowledge, abilities, exchange various perspectives and increase operational skills such as innovation courses in air conditioning system design and ventilate for data center Biosafety and Biosecurity Personal Data Protection Act B.E.2562 etc.

During the 2019 coronavirus epidemic (COVID-19), training and learning sessions are quite limited. Therefore, the Company creates learning materials suitable for online learning, in order to transfer knowledge to employees, as well as self-learning at all times. This can enable employees to imagine the procedures correctly, effectively reduces the gathering of employees and/or speakers from outside the organization.

2. Corporate Culture Promotion

The Company has established “Core Values” as a framework of expected behavior by the vision and

mission of the organization to be the foundation for creating good behavior for all employees under “FARMHOUSE ACTIVE” consisting of:



A : Attitude	Positive Attitude towards Oneself, Colleagues, and Organizations
C : Commitment	Keep the promise, having determination and able to achieve the goals.
T : Teamwork	Work together as a team by knowing their responsibilities.
I : Innovation	Create, improve and innovations.
V : Value	Create value for themselves, organization and the stakeholders.
E : Ethics	Possess work ethics, diligence, patience and honesty

All of this to motivate, support and encourage employees in all departments to become committed, improve and develop themselves continually by the organization's values, for the creation of “Corporate Culture” through the following activities:

1) **“ACTIVE DNA Award”** is a project to increase skills, knowledge, and abilities as well as supporting the creation of new works, ideas, or innovations which be beneficial to employees' performance and effective internal management. Moreover, this will create morale of working for a group of model employees also creating motivation for endless development along with being a good role model for fellow employees.

2) Training and learning, an ACTIVE Learning model of teaching and learning, with an emphasis on the participation of trainees and interaction with learning activities through a variety of practices such as analysis, synthesis, brainstorming, exchange of ideas, and doing case studies, etc.

3) Assessment of behavior performance, according to the Core Values, in addition to performance measurements according to the Key Performance Indicator system: KPIs to support and promote the development of employees to meet the characteristics set by the organization through human resources management and development tools.

This is to be a part of helping to drive the personnel development and the organization simultaneously, for the highest efficiency, including supporting sustainable growth.

Coping with 2019 Coronavirus Epidemic (COVID-19)

During the 2019 Coronavirus epidemic (COVID-19) in Thailand, the Company has set up the “Control, Care, Prevent” measures to ensure that employees are safe regarding their physical health by controlling and installing measures and procedures from screening for COVID-19 at the entrance of the Company and throughout the operation hours, as well as monitoring the risk groups and their hygiene, such as working from home, provide work equipment, convenience, and distributing necessary personal protective equipment such as masks, cloth masks, face shield, alcohol spray, and medical gloves, etc. The Company has organized a market to distribute essential products for employees to buy at a special price, in turns this helps employees avoid traveling to public markets or gathering places, as well as provided a clear partition between people, social distancing, informing employees regarding prevention by communicating through all

channels, as well as spraying disinfectants and cleaning the area continually. At the same time, the Company has actively tested and screened the employees every week. Lastly, the Company promotes, supports and provide vaccinations against 2019 Coronavirus (COVID-19) to create “Herd Immunity” within the Company.

1. Control: Setting Measures and Procedures.

1.1 Screening Measures for 2019 Coronavirus Disease (COVID-19)

Set up a screening point at the Company's entrance area, “Limited entrance-exit”. The staffs working in the area must wear personal protective equipment such as rubber gloves, masks, and face shield masks. Every employee and visitor must maintain social distancing, wear mask, disinfect with alcohol, or wash their hands with soap before entering the area.

As for the temperature check before entering the area, it is divided into 2 groups, 1.) Employees or internal personnel are not permitted to enter the area if their body temperature is found to be higher than 37.5 degrees Celsius. 2) Employees who are at risk / after quarantine or outsiders contacting the Company must fill out an additional questionnaire. If their body temperature is higher than 37.1 degrees Celsius, they are not permitted to enter the area. They must walk across carpets in front of the entrance of the workplace to disinfect their shoes and record the time of operation or contact according to protocols before entering the area or place of work. Those who passed the screening are allowed to enter the area. If they were found sick or were at risk of coming into contact with an infected person while at work, the supervisor or contact person should immediately notify the human resources department to organize the leave and quarantine.

1.2 Social Distancing and Good Internal Environment Measures

1.2.1 Canteen Area Management

Determine a clear eating area and use a time-lapse method for lunch breaks as well as limiting the time to use the area, including creating a partition on the dining table, as well as having a hand washing / disinfection point before and after entering the area. Meanwhile, restaurant operators must wear personal protective equipment and make sure to keep the area clean at all time. For the ordering and payment process, the Company has set a standing area with a distance of about 1-2 meters between employees and supports payment via mobile phones.

1.2.2 Meeting/Training Room Management

The Company mainly uses the “Methods for meetings/training via online system”. In unavoidable cases, the Company will reduce the number of participants and limit the time. The attendees of the meeting/training must wear mask at all time as well as keep distance between attendees. Moreover, always clean microphones, provide alcohol at the entrance-exit point and inside the meeting room. After the end of the meeting/training, housekeepers will clean the area, tables, chairs, and equipment immediately, as well as clean the meeting room every operating day. Meanwhile, the Company is promoting proper use and conduct in the meeting room, reducing shouting and/or speaking loudly.

1.2.3 Office Space Management

Before entering the office, everyone has to walk through a carpet to disinfect their shoes, wear a mask at all times in the workplace, refrain from talking if not necessary and provide an area for customers/visitors to be in the designated area. “Employees work only in their area and do not cross the working area if not necessary” along with cleaning the area before and after work. As well

as spraying alcohol in the building area, location, and equipment, limiting the use of elevators, keeping distance and must wear masks, refraining from talking, providing alcohol at various points, as well as creating partitions in appropriate areas and considering work from home, only for workgroups that don't affect internal work and/or service to other agencies.

1.2.4 Staff Shuttle Bus Management

Limit the number of passengers to not be crowded. “1 person per 1 seat with social distancing between people and wear a mask all the time.” Avoid talking and creating a barrier between the driver and the passenger, and spray disinfectant to clean the seats, handrails immediately after pick-up and drop off.

1.2.5 Restroom Arrangements

Cleaning the areas that come into contact with the body and opening the restroom door to allow for more ventilation. Employees must avoid and minimize touching as much as possible when using the restroom, as well as wear a mask at all times, reduce discussion, and wash their hands or spray disinfectant before and after using the service.

1.3 Maintaining Hygiene, Cleaning and Disinfecting

Employee healthcare. The Company provides outdoor infirmary room with partitions set up between nurses and staffs. The mask must be worn at all times, and scheduling the disinfectant spraying cycle (Fumigate) according to the plan and/or in emergencies. Common areas for receiving specific visitors, offices and distribution centers (DC.) are requiring alcohol spraying as well as documents or parcels from different/external locations, including providing personal protective equipment, distributing masks and protective equipment to employees, including conducting communication and publicizing news in all channels in terms of continuous care and protection.

Furthermore, the Company has a collaboration measure in place that requires employees to avoid and refrain from going to other provinces, except in emergency situations, and prohibits them from entering high-risk areas based on the situation. Additionally, the Company encourages employees to quarantine themselves if they have traveled to high-risk areas and to perform a COVID-19 test before entering the operation area. Moreover, the Company conducts meetings to debate and select processes, and the procedures are closely and frequently continued in accordance with the epidemic condition, as well as to be compliant with the standards of the Department of Disease Control, Ministry of Public Health. Lastly, the Company offers an emergency action plan for each department through risk management to ensure the continuity of internal operations and effectively support employee assistance and management.

2. Care :

Follow up on risking and infected employees.

The 2019 Coronavirus (COVID-19) is rapidly spreading and continually expanding. This is affecting employees by being the high risk group or the chance of getting the infection from the family is quite high. This cannot be avoided even though we have strictly complied with the Company's control and prevention measures. Due the problem of accessing the hospital for treatment, the Company creates "Farm House ... Survival Bag" project. The bag is containing consumer products and medication, including necessary medical tools for home isolation.

3. Prevention :

Reduce the chance of infection and spread.

The Company has carried out a proactive management by providing Rapid Antigen Test at locations throughout the Company, to monitor and segregate employees from high-risk groups. If the result is positive, employees are required to quarantine and undergo an RT-PCR test (Reverse transcription-polymerase chain reaction)

and must comply with the Company's and government agencies' measures immediately. The Company also organized a randomized test the find employees infected with 2019 Coronavirus (COVID-19). The operation is planned until the situation is better.

Meanwhile, the Company has arranged the project "Farm House ... One Day Market" through the distribution of various necessary products for living at a special price, 1-2 days per week per place, to encourage employees to avoid shopping at the market. This helps reduce the risk of infection, where traders have to go through rapid screening (Rapid Antigen Test) and personal hygiene screening according to the measures of the Company strictly.

Along with the desire to create "Herd Immunity" in the Company and maintain employees' health by communicate through all channels, as well as encourage employees to access vaccination services to prevent 2019 coronavirus (COVID-19) as much as possible.

7.6 Other Important Information

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

Company Secretary

The Board of Directors considers and appoints knowledgeable, competence, and appropriateness person as the company secretary to help support related work to be carried out with efficiency and effectiveness as required by law. The Board of Directors has appointed Ms. Petcharat Anantawichai as the company secretary since 28 August 2008. The scope of duties and responsibilities of the company secretary are on page 88 and Attachment 1.

Persons assigned to be directly responsible for the supervision of bookkeeping

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

Head of Internal Audit

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

7.6.2 List of Head of Investor Relations

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

7.6.3 Auditor's Remuneration

The Company's auditors for the year 2021 is Ms. Siriwan Nitdamrong, Certified Public Accountant Registration No. 5906 from EY Office Company Limited. The Auditor fees are paid by the Company to EY Office Limited as follows:

Audit fee

The Company pays the audit fees to

- The Company's auditor in 2021 with a total amount of 1,130,000 baht.
- Inspection for a specific purpose-Conditional inspection of the promotional certificates specified by Thailand Board of Investment, totaling 2 certifications, amounting to 185,000 baht.

Section 2 Corporate Governance

8. Report on Key Performance in Corporate Governance

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

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

(1) Independent Director

Definition of Independent Committee

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

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

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

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

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

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

Business relationships under the first paragraph include making trade transactions that are normally carried out for business operations, renting or renting out real estate. Assets or services, or giving, or receiving financial assistance by accepting or lending, guaranteeing, and placing assets as collateral for liabilities, including other similar behaviors. As a result, the company or the contracting party has an obligation to pay the other party at least 3% of the company's net tangible assets, or 20 million baht or more, whichever is less. However, the calculation of such indebtedness shall be by the method for calculating the value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions mutatis mutandis. However, such debt shall include debt obligations incurred during the 1 year before the date of the business relationship with the same person.

(5) Does not have or had a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder, or the person who

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

(6) Not or has not been a professional provider of any kind. This includes serving as a legal or financial advisor which receives service fees of more than 2 million baht per year from the company, parent company, subsidiary company, associated company, major shareholder, or the person who has the authority to control the company and is not a significant shareholder controller or a partner of that professional service provider unless the aforementioned nature has been terminated for not less than 2 years before the date of appointment as an independent director.

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

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

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

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

After being appointed as an independent director with the characteristics (1) to (9), the independent director may be assigned by the Board of Directors to decide on the operation of the Company, parent company, subsidiary company, associated company, same level

subsidiary major shareholder, or the person who has the power to control the Company by having a decision in the form of a collective decision.

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

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

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

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

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

Chief Executive Officer Recruitment

In the selection of individuals for positions such as managing director, the Board of Directors will select people who are qualified and suitable. They knowledge, appropriate, abilities, skills, and experience that are beneficial to the Company's operations. The individual must understand the Company's business very well and be able to manage the work to achieve the objectives according to the goals that the Board of Directors can set.

Development of Directors and Executives

Directors and executives have given importance to attending training courses or seminars to increase knowledge in continuous operation and have applied such knowledge to their duties. In 2021, directors and executives participated in training courses related to operations on crucial topics such as auditing accounting-financial transactions to prevent and manage corruption in the organization. These courses include CFO Refresher Course, Class 2/2564, titled “Preparing for Economic Factors: Finance and Accounting Issues Affecting Listed Companies” Training Course for Positive Strategic Managers, The Master, Class 6, and Tax Update 2021, etc.

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

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

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

Process and Criteria of the Assessment

- The Company’s performance appraisal form consists of 5 sets, 1 set of a performance appraisal form for the Board of Directors, 1 set for individual directors, and for 3 sub-committees, totaling 3 sets (Audit Committee, Nomination and Remuneration Committee, and the Governance and Risk Management Committee).
- Set a schedule at the end of the annual performance cycle. The secretary of every committee is responsible for sending the performance appraisal form to all directors, and when the committees have completed the assessment form and returned it to the secretary for points calculation.
- Report the average score for each topic assessed with a summary of the overall average score. The secretary of each committee will report to each committee for acknowledgment and record the information in the minutes.
- Criteria for performance appraisal with the calculation and scoring criteria of the performance appraisal form as follows:

1. Performance Appraisal Form scoring criteria

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

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

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

Self-assessment of the entire Board of Directors

In 2021, at the Board of Directors' Meeting No. 12/2021, held on 20 December 2021, each director assessed the performance of the Board of Directors as a whole. The assessment is divided into 3 aspects:

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

Board of Directors Self-Assessment

In 2021, at the Board of Directors' Meeting No. 12/2021, held on 20 December 2021, each director assessed the performance of the Board of Directors as individual person. The assessment is divided into 3 aspects:

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

Sub-Committee Self-Assessment

The Company has provided an assessment of the performance of all sub-committees for the year 2021. Each sub-committee members assesses the performance of the sub-committees in which they hold office. The assessment is divided into 3 aspects:

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

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

Number of Companies in which Directors hold Offices

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

Succession Plan

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

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

8.1.2 Meeting Attendance and Remuneration of the Board of Directors

Name	Position	Board of Directors Meeting (No. of Meeting / No. of Meeting Attendance)					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management	AGM	Non-Executive Director
1. Mr. Pipat Paniangvait	<ul style="list-style-type: none"> Chairman of the Board Chairman of the Nomination and Remuneration Committee 	12/12		1/1		1/1	1/1
2. Mr. Apichart Thammanomai	<ul style="list-style-type: none"> Vice Chairman of the Board and Managing Director Director of the Nomination and Remuneration Committee 	12/12		1/1		1/1	
3. Mr. Apisate Thammanomai	<ul style="list-style-type: none"> Vice Managing Director Corporate Governance and Risk Management Committee 	12/12			4/4	1/1	
4. Mr. Vichai Kulsomphob	<ul style="list-style-type: none"> Director 	12/12				1/1	1/1
5. Miss Petcharat Anantawichai	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee Company Secretary 	12/12			4/4	1/1	
6. Miss Panida Prayottaweekij	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee 	12/12			4/4	1/1	
7. Dr. Pojaneer Paniangvait	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee 	12/12			4/4	1/1	1/1
8. Mr. Pun Paniangvait	<ul style="list-style-type: none"> Director 	12/12				1/1	1/1
9. Miss Saipin Kittipornpimol	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee 	12/12			4/4	1/1	
10. Miss Ubolluck Luevoravinyu	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee 	12/12			4/4	1/1	
11. Prof. Dr. Teeravuti Boonyasopon	<ul style="list-style-type: none"> Chairman of Independent Director and Chairman of Audit Committee 	12/12	5/5			1/1	1/1

Name	Position	Board of Directors Meeting (No. of Meeting / No. of Meeting Attendance)					
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management	AGM	Non-Executive Director
12. Mr. Wattanachai Chotechutrakul	<ul style="list-style-type: none"> Independent Director and Audit Committee Director of the Nomination and Remuneration Committee 	12/12	5/5	1/1		1/1	1/1
13. Prof. Piyamitr Sritara	<ul style="list-style-type: none"> Independent Director 	12/12				1/1	1/1
14. Mr. Thanapich Mulapruk	<ul style="list-style-type: none"> Independent Director and Audit Committee Chairman of Corporate Governance and Risk Management Committee 	12/12	5/5		4/4	1/1	1/1
15. Mrs. Aim-on Pathumarak	<ul style="list-style-type: none"> Independent Director and Audit Committee Corporate Governance and Risk Management Committee 	12/12	5/5		4/4	1/1	1/1

Advisor to The Board and Assistant Managing Director

1. Ms. Malee Tangjaisanong	<ul style="list-style-type: none"> Advisor to the Board and Assistant Managing Director 	12/12
----------------------------	--	-------

Directors' Remuneration

(1) Monetary compensation for the year ended 31 December 2021

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

(Unit : Baht)

Remuneration	2021		2020	
	Number of Director	Amount	Number of Director	Amount
Director and Advisor to the Board Remuneration	16	14,472,000	16	14,478,000
Total		14,472,000		14,478,000

The remuneration for 2021 will be paid per meeting attendance, and the gratuity will be paid once a year. Both will be included in the Board of Directors' remuneration, separated by individual details as follows:

(Unit : Baht)

Name	Position	Remuneration				Total
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	
1. Mr. Pipat Paniangvait	<ul style="list-style-type: none"> Chairman of the Board Chairman of the Nomination and Remuneration Committee 	3,644,000		12,000		3,656,000
2. Mr. Apichart Thammanomai	<ul style="list-style-type: none"> Vice Chairman of the Board and Managing Director Director of the Nomination and Remuneration Committee 	1,220,000		10,000		1,230,000
3. Mr. Apisate Thammanomai	<ul style="list-style-type: none"> Vice Managing Director Corporate Governance and Risk Management Committee 	920,000			40,000	960,000
4. Mr. Vichai Kulsomphob	<ul style="list-style-type: none"> Director 	620,000				620,000
5. Miss Petcharat Anantawichai	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee Company Secretary 	720,000			40,000	760,000
6. Miss Panida Prayottaweekij	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee 	720,000			40,000	760,000
7. Dr. Pojjanee Paniangvait	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee 	620,000			40,000	660,000
8. Mr. Pun Paniangvait	<ul style="list-style-type: none"> Director 	620,000				620,000
9. Miss Saipin Kittipornpimol	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee 	720,000			40,000	760,000
10. Miss Ubolluck Luevoravinyu	<ul style="list-style-type: none"> Director Corporate Governance and Risk Management Committee 	720,000			40,000	760,000
11. Prof. Dr. Teeravuti Boonyasopon	<ul style="list-style-type: none"> Chairman of Independent Director and Chairman of Audit Committee 	720,000	48,000			768,000

(Unit : Baht)

Name	Position	Remuneration				Total
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	
12. Mr. Wattanachai Chotechutrakul	<ul style="list-style-type: none"> Independent Director and Audit Committee Director of the Nomination and Remuneration Committee 	620,000	40,000	10,000		670,000
13. Prof. Piyamitr Sritara	<ul style="list-style-type: none"> Independent Director 	620,000				620,000
14. Mr. Thanapich Mulapruk	<ul style="list-style-type: none"> Independent Director and Audit Committee Chairman of Corporate Governance and Risk Management Committee 	720,000	40,000		48,000	808,000
15. Mrs. Aim-on Pathumarak	<ul style="list-style-type: none"> Independent Director and Audit Committee Corporate Governance and Risk Management Committee 	620,000	40,000		40,000	700,000
Total		13,824,000	168,000	32,000	328,000	14,352,000

(Unit : Baht)

Name	Position	Remuneration
1. Ms. Malee Tangjaisanong	Advisor to the Board and Assistant Managing Director	120,000

8.1.3 Operation Supervision of the Associated Companies

The Company has 1 joint venture company operated by the Management from 2008 onwards. The Company has stipulated regulations for the person appointed by the Company to supervise the operation of the connected transaction, acquisition or disposition of assets, or any other crucial transactions, and apply the rules relating to the disclosure of information and make the above transactions in the same manner as the Company's regulations. This includes supervising the data collection and accounting records by using the same accounting policy, verifiable and compiled to prepare financial statements showing investments under the equity method in time.

8.1.4 Monitoring to Ensure Compliance with Corporate Governance Policies and Guidelines

1. Prevention of Conflicts of Interest

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

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

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

2. Supervision of Inside Information Usage

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

- Educate directors and executives about their duties to report their securities holdings, their spouses and minor children, and penalties under the Securities and Exchange Act B.E. 2535 and according to the regulations of the Stock Exchange of Thailand
- The Directors, managements are responsible to report the stock holding and the change to the company's stock holding to the Securities and Exchange Commission and inform the Company Secretary to report to the Board of Work performances in the following meeting of the Board of Work performances.

- Management is prohibited from using undisclosed inside information to trade in the Company's securities before it is made available to the public and is prohibited to disclose material information to others as part of the Company's work regulations.
- The Company's directors, executives, and employees who are in the internal information department are prohibited from trading in the Company's securities during the first month before the disclosure of the financial statements to the public and for 24 hours after the disclosure of the financial statements.

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

3. Anti-corruption

The Company is the leader in the production and distribution of bakeries that create the highest popularity and satisfaction for consumers, building confidence for all groups of stakeholders. Therefore, a management system has been developed that is transparent, efficient, and follows the principles of good corporate governance. The Company will not accept any form of corruption, directly or indirectly. Therefore, a declaration of intent was signed to join the "Collective Action Coalition of the Thai Private Sectors Against Corruption" on 22 April 2016, and the membership was renewed for the 2nd time on 4 November 2020 and will end on 4 November 2022. At the Board of Directors' meeting No. 8/2021 on 23 August 2021, the Board of Directors reviewed and updated the anti-corruption policies and procedures to be in line with the details of the regional coalition agencies. The Thai private sector in anti-corruption has to be added to the current business operations. To comply with the anti-corruption policies and procedures, the Company has taken the following actions:

Fraud Risk Assessment

The Company has conducted an assessment of risks related to corruption to establish clear and consistent guidelines for such risk assessments for appropriate compliance with anti-corruption policies and procedures.

Guidelines to Control, Prevent and Monitor Fraud Risks

- Internal Audit provides a process to review the suitability of control measures in key departments such as recruiting and purchasing, sales, and accounting to prevent and monitor the risks that may arise, as well as give suggestions on appropriate improvements.
- The head of the relevant department is responsible for monitoring the implementation, modifications (if any), and reporting to supervisors according to the respective line of work.
- Establish anti-corruption policies and procedures as a guideline for all directors, executives, and employees to adhere to in general.
- Provide channels for receiving clues or complaints about wrongdoings. Violation of laws, company regulations, or anti-corruption policies and procedures There is a provision to protect those who cooperate in whistleblowing or refusing corruption and corruption related to the Company from suffering harm or not receiving fairness arising from their cooperation in anti-corruption.

Training and Communication

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

In addition, the Company has published anti-corruption policies and procedures for employees, business partners, and all stakeholders, both in the form of written documents and disclosures on the Company's website, acknowledging that the Company does not accept any form of corruption, either as a recipient or a giver.

Follow-up and Evaluation of Performance in accordance with Anti-corruption Measures

The Company has reported the results of its audits relating to fraudulent forms of giving or receiving gifts, entertainment, sponsorships, donations, political contributions, conflicts of interest, facilitation payments and The hiring of government employees is presented to the Audit Committee to ensure that the operations of the agencies are following the policy and in compliance with the anti-corruption policy.

The Audit Committee has reviewed the appropriateness of the implementation of the Self-Assessment Scale on Anti-Corruption Measures for the renewal certification process of the Thai Private Sector Collective Action Coalition Against Corruption.

4. Whistleblowing

The Board of Directors provides opportunities for employees and stakeholders to report concerns or complaints. When a matter that may be an illegal act of corruption or misconduct by employees of the Company, as well as behaviors that may cause problems and cause damage to the Company. This includes receiving complaints if employees or stakeholders are violated or do not receive justice via mail, e-mail, telephone, feedback box, and on the Company website with an internal audit section, notifying the Company Secretary, Secretary of the Anti-Corruption Subcommittee, and Human Resources to be the recipient of complaints through the relevant channels.

In 2021, the Company has not received any whistleblower or complaints about corruption violations.

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

In 2021, the Audit Committee consisted of 4 independent directors and held 5 meetings (February, March, May, August and November). The number of times to attend the meeting is as follows:

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

In the past year, the Audit Committee held a total of 5 meetings, with all directors attending every meeting to perform duties as stipulated in the Audit Committee's charter and meeting agendas with the auditors. The external audits included EY Office Company Limited, which considered the Company's financial reports, including observations and audit reports of such units. In addition, the Audit Committee has a meeting with the internal audit unit. It has reported the results of the audit and the annual audit plan and has made useful recommendations for various aspects of control, including reviewing the appropriateness of the charter to ensure that the content of the Charter is consistent

with the Company's corporate governance objectives and strategies.

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

8.3 Summary of the Performance of Other Sub-Committees

(1) Independent Directors Committee

In 2021, the independent committee consisting of 5 independent directors, convening a total of 2 meetings (May and November), with the number of meeting attendances as follows:

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

In the past year, the independent board of directors has expressed their opinions independently following the mission assigned to protect the interests of all shareholders equally from causing conflicts of interest, reviewing operations, and giving opinions on important matters of management during the COVID-19 crisis and business management according to good governance and risk management. This includes attending meetings with the Board of Directors when considering matters or significant transactions.

(2) Nomination and Remuneration Committee

The Board of Directors has appointed the nomination and remuneration committee as the term of office is 1 year from the date the Board of Directors has passed the resolution to appoint. In 2021, the Committee is responsible for nominating qualified persons for the position of director and considering the criteria for paying remuneration to the Board of Directors and sub-committees, appropriate to the duties and responsibilities and within the limit approved by the annual general shareholders' meeting. In 2021, the Nomination and Remuneration Committee held a total of 1 meeting, with a summary as follows:

Name	Position	No. of Meeting/ No. of Meeting Attendance
1. Mr. Pipat Paniangvait	Chairman of the Nomination and Remuneration Committee	1/1
2. Mr. Apichart Thammanomai	Director of the Nomination and Remuneration Committee	1/1
3. Mr. Wattanachai Chotechutrakul	Director of the Nomination and Remuneration Committee	1/1

In 2021, the Nomination and Remuneration Committee considered crucial issues and can be summarized as follows:

Nomination Consideration

Consider qualified people as the Company's directors to replace five directors who retired by rotation to promote and support the good corporate governance policy. The Company provides shareholders with the right to nominate a qualified person to serve as a director between 1 - 30 December 2021, via the Company's website and notification via the the Stock Exchange of Thailand's electronic system (SET Portal), but if no shareholder submitted a name list to be considered for election as a director, and the Board of Directors believed that since the directors who retired by rotation have full qualifications and are qualified persons with knowledge, ability, and experience useful in business operations, have a vision to perform well as directors, as well as a vision to perform well as a director, as well as expressing useful opinions at the meeting, it is,

therefore, appropriate to be reinstated for another term and proposed to the Board of Directors Meeting and the Annual General Meeting of Shareholders for approval.

Remuneration Consideration

Consider the determination of directors' remuneration for the year 2021, consisting of remuneration from the Company in the form of meeting allowance, gratuity, and bonuses or other benefits following the regulations, in addition to receiving allowances and welfare according to the Company's regulations, to be presented to the Board of Directors' meeting and the annual general meeting of shareholders for approval.

(3) Corporate Governance and Risk Management Committee

In 2021, the Corporate Governance and Risk Management Committee consisting of 8 directors, 4 meetings were held (January, April, July and October), which can be summarized as follows:

Name	Position	No. of Meeting/ No. of Meeting Attendance
1. Mr. Thanapich Mulapruk	Chairman of Corporate Governance and Risk Management Committee	4/4
2. Mr. Apisate Thammanomai	Corporate Governance and Risk Management Committee	4/4
3. Miss Petcharat Anantawichai	Corporate Governance and Risk Management Committee	4/4
4. Miss Panida Prayottaweekij	Corporate Governance and Risk Management Committee	4/4
5. Dr. Pojjanee Paniangvait	Corporate Governance and Risk Management Committee	4/4
6. Miss Saipin Kittipornpimol	Corporate Governance and Risk Management Committee	4/4
7. Miss Ubolluck Luevoravinyu	Corporate Governance and Risk Management Committee	4/4
8. Mrs. Aim-on Pathumarak	Corporate Governance and Risk Management Committee	4/4

In the past year, the Governance and Risk Management Committee A total of 4 meetings were held, with all directors attending every meeting to perform duties as stipulated in the Corporate Governance and Risk Management Committee Charter. There was a meeting to consider the results of the risk assessment and monitoring during the year for the Company to be able to manage the

risks that may occur in various situations with the most effective means, including reviewing the appropriateness of the charter to ensure the content of the Charter is consistent with its objectives and strategies for corporate governance and risk management.

(4) Non-Executive Directors

In 2021, the non-executive directors consisted of 9 directors and held 1 meeting (December) with the number of meeting attendances as follows:

Name	Position	No. of Meeting/ No. of Meeting Attendance
1. Mr. Pipat Paniangvait	Chairman of the Board	1/1
2. Prof. Dr. Teeravuti Boonyasopon	Independent Director	1/1
3. Mr. Thanapich Mulapruk	Independent Director	1/1
4. Mr. Vichai Kulsomphob	Director	1/1
5. Dr. Pojjanee Paniangvait	Director	1/1
6. Mr. Pun Paniangvait	Director	1/1
7. Mr. Wattanachai Chotechutrakul	Independent Director	1/1
8. Prof. Piyamitr Sritara	Independent Director	1/1
9. Mrs. Aim-on Pathumarak	Independent Director	1/1

In the past year, the non-executive committees have been responsible for considering and supervising the operations of the management. It was found that the work was efficient, transparent, and determined to work with

honesty and integrity. There was a meeting to promptly discuss how to resolve the issue and end the damage without delay, which caused all employees to cooperate and be alert to solve problems together.

9. Internal Control and Connected Transactions

9.1 Internal Control

The Board of Directors has given importance to processes and internal control systems. Therefore, an internal control system has been established that covers both financial matters. Management operations must be efficient and effective. Compliance with applicable laws, regulations, and regulations suitable for the work environment or activities of that agency for the Company to achieve goals and objectives effectively by the Board of Directors has assigned the Audit Committee, which is an independent committee, to review the adequacy and appropriateness of the Company's internal control system. According to the sufficiency assessment form of the internal control system of the Securities and Exchange Commission every year, the Audit Committee Charter has been approved by the Board of Directors. Determine the scope of work, powers, and responsibilities, as well as clear guidelines for conducting and performing audits.

9.1.1 Framework for Internal Control Practices

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

1. Control Environment

Have a good environment and internal control, appropriate, sufficient for efficiency and effectiveness of the business operations. The executive must have a philosophy and work style such as having a good attitude, support the corporate culture that focuses on honesty and ethics, be a good example (Tone at the Top) and support the performance of accounting duties, information management, human resources, follow-up on the evaluation,

risk management, internal and external audit. This is an important part that helps support the operations of the organization to achieve the objectives sustainably. As well as, promoting a good consciousness (Soft Control) when controlling personnel for various activities to work with their knowledge, abilities, honesty, integrity and ethics, control environment which covers the main guidelines and policies, including regulations (Hard Control) in business and operations. Moreover, to have organizational structure and a clear and appropriate chain of command by providing employees at all levels in the organization to acknowledge their roles, duties and responsibilities as well as being aware of their duties and responsibilities. However, the Company clearly emphasizes on the important of the good corporate governance for the listed companies of 2017 (Corporate Governance Code for Listed Companies 2017). If it is found that directors, executives and employees have violated or acted in any way that is contrary to the Company's business ethics, the Company will consider and take appropriate action. In the event that such action is in contrary to the rules and regulations of work as well, the Company will consider the punishment according to the nature of the offense as appropriate for the case.

2. Risk Assessment

The Company realizes the importance of risk management by adopting the COSO - ERM 2017 framework as a framework for internal risk management which attaches importance to the connection of vision, mission, corporate values, the Company's strategy and business objectives with risk management in order to achieve the goals and business objectives. As a result, the Company's performance is more efficient, under the changes that affect the business from both internal and external factors. It considers risk management to be an essential component of every business process. The Company established a risk management policy, prepare a risk management manual and communicate on the internal

website (Intranet) that all executives and employees are aware of and adhere to, as well as exercise a risk assessments at all levels. The Company focuses on 5 different types of risks, namely, Strategy, Operation, Financial, Compliance and Reputation. The Corporate Risk Dashboard was prepared to identify and analyze all risks involved in each unit, including specifying existing controls and additional controls to reduce the level of impact and the likelihood of an incident to be within an acceptable risk level (Risk Appetite).

The Company realizes the importance of risk management by adopting the COSO-ERM 2017 framework as a framework for internal risk management, which attaches importance to the connection of vision, mission, and corporate values, the Company strategy, and business objectives with risk management to achieve the goals and business objectives set. As a result, the Company's performance is more efficient under the changes that affect the business from both internal and external factors. It considers risk management to be an essential component of every business process. There is a risk management policy. Prepare a risk management manual and communicate it on the internal website (Intranet) so that all executives and employees are aware of it and adhere to it. There are risk assessments at all levels, whereby the Company focuses on five different types of risks, namely, strategy, operation, financial, policy, rules and regulations compliance and reputation (Corporate Risk Dashboard) are prepared, identifying and analyzing all risks involved in each unit, including specifying existing controls and additional controls to reduce the level of impact and the likelihood of an incident to an acceptable risk level (Risk Appetite).

3. Control activities

The Company has prepared written policies and procedures for all employees to have guidelines for working in the same direction. In key processes, the

Company has developed information systems for proper control, such as accounting and finance, procurement, merchandising, production, transportation, personnel development, information technology, and supervision, utilizing the Company's assets for maximum benefit, including separating the duties of operators, monitors, assessors, and approvers apart to create appropriate balances and checks between each other by setting a limit on the approval authority. Each level is laid out, together with an action plan that is consistent with the policies and objectives of the organization within an appropriate time frame, and a budget system is set up by analyzing and controlling the cost-effectiveness of expenditures for maximum benefit.

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

4. Information and Communication

The Company places importance on information and communication systems by continually developing information and communication systems to have good and efficient communication and information systems for decision-making at the departmental level and organizational level. This is to ensure that communication is accurate, useful, reliable, and has operational control of internal and external information, both financially and operationally. The information is recorded and communicated to the management and other personnel within the unit that

need to use that information in performing their responsibilities. This is especially true for news that is a signal that will enable the management to resolve problems promptly and manage the work to achieve the objectives of the unit. Each year, the Managing Director will communicate via voice over the line to the employees within the Company to acknowledge the results of the past year, including any policies that have been added or changed.

The Company has prepared meeting documents with adequate and required information for decision-making and has sent them to the Board of Directors within the time frame specified by law. The effectiveness of the Board of Directors Meeting is evaluated. Every time a Board of Directors Meeting is held, meeting minutes are prepared. The minutes include enough information for shareholders to assess the appropriateness of the Company's directors. Furthermore, the documents are categorized according to the law.

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

5. Monitoring and Evaluation

The Company arranges for the Board of Directors' meeting monthly to consider and monitor the Management's performance to achieve the goals. The Management shall proceed and report the progress to the Board of Directors and hold a monthly executive meeting to compare the operating results with the goals and plans of all departments that have been set for reporting to the Board of Directors for acknowledgment. The Board of Directors also requires that all sub-committees are evaluated.

In 2021, the Company continued to adopt a monitoring and evaluation system by using the Balance Scorecard system, which has a key performance indicator (KPI: Key Performance Indicators) as a tool to measure performance with executive departments and employees continuously throughout the organization. In order for the performance to be in line with vision, mission, business strategy and corporate values established by the Company. Every department will report its performance and compare it with the goals of the various indicators that have been set on a monthly basis, along with regular and continual follow-up.

In addition, the Company also requires that the internal audit department of the Company are independent in auditing and evaluation. In the annual audit plan of the internal audit unit, establish a system for monitoring the results of the audited work system and report the results directly to the Audit Committee Board of Directors, including giving suggestions to improve, correct, and make the operation more efficient.

9.1.2 Board of Directors' Opinion on the Internal Control System

At the Board of Directors' Meeting No. 2/2022 on 21 February 2022, the Board of Directors unanimously resolved that the Company's internal control system is suitable, sufficient, and efficient following the principles of good corporate governance and in the audit of the financial statements for 2021 by EY Office Company Limited, who

reviewed the quarterly financial statements and audited the 2021 financial statements, reported that from the review of the financial statements, it was shown that the financial position, performance, and cash flows follow financial reporting standards.

9.1.3 Internal Audit

The Company has an internal audit department. It is an independent unit with a reporting chain and a chain of command directly reporting to the Audit Committee. Its primary duty is to evaluate the sufficiency, effectiveness, and risk management of work systems and activities in order to ensure that the Company has an internal control system that can run efficiently in accordance with the Audit Committee's approved annual audit plan. The Company can identify processes that may cause risks that may affect the Company's goals by analyzing the major risks that affect the operations (Risk Based Approach), which encompasses all processes in the Company's business operation. All of this is done to implement effective and timely control measures, as well as conduct audits, in order to instill trust and transparency in corporate operations among members, partners, shareholders, directors, executives, employees, government agencies, and stakeholders.

1. Guidelines

- Auditing the efficiency of the internal control system. The internal audit department was examined together with the performance at each stage to verify that the Company could meet the stated objectives efficiently and effectively by strictly adhering to the rules and regulations, and that the financial reports were accurate and reliable.

- Evaluating the risk management system's efficacy. To ensure that risks are correctly identified and analyzed, the Internal Audit Department collaborates with the Risk Management Department to undertake an evaluation of the workers' risk management approach. Comprehensive and systematic risk management may be implemented effectively, allowing risks to be managed to an acceptable level while producing a comprehensive report and regularly monitoring and reviewing the risks.

2. Results Report

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

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

3. Performance appraisal

In 2021, the Audit Committee considered that internal audit had performed their duties effectively, which consisted of being independent, fair, and having a code of ethics. From the performance of the past year, the Internal Audit Department has received satisfying cooperation from the Management and audit recipients of all departments.

9.2. Related Transactions

In 2021, the Company has transactions with persons who may have conflicts of interest as disclosed in item 9 of the remark to the financial statements for the year ended 31 December 2021. The auditor stated that such transactions were normal business. The details of the said transaction are as follows.

Person who may have conflict of interest	Nature of relationship	Item Characteristics	Transaction Value (Million Baht)			Pricing Policy and Transaction Rationality
			For the year ended 31 Dec 2021	For the year ended 31 Dec 2020	For the year ended 31 Dec 2019	
1. Thai President Foods Public Company Limited ("TFMAMA")	<ul style="list-style-type: none"> TFMAMA holds shares in the Company accounted for 51.99% There are common directors as follows: Mr. Pipat Paniangvait Mr. Apichart Thammanomai 	<ul style="list-style-type: none"> dividends paid service charge Raw materials purchasing 	416.45 0.02 -	479.62 - 0.004	388.37 - 0.05	as declared Conduct business as usual with general trading conditions
2. Saha Pathana Inter Public Company Limited Holding ("SPI")	<ul style="list-style-type: none"> SPI holds 21.79% shares of the Company There are common directors as follows: Mr. Pipat Paniangvait Mr. Vichai Kulsomphob 	<ul style="list-style-type: none"> dividends paid 	174.51	200.75	161.81	as declared
3. Kerry Flour Mill Company Limited ("Kerry")	<ul style="list-style-type: none"> Has the same major shareholder, i.e. TFMAMA, holding 39.0% shares in Kerry. There are common directors as follows: Mr. Apichart Thammanomai and Dr. Pojjanee Paniangvait 	<ul style="list-style-type: none"> The Company purchases wheat flour to be used as raw material for bread and bakery production 	430.51	469.36	453.32	Agreed price which is close to the market price taking into account the purchase quantity.
4. Dai-ichi Packaging Company Limited ("Daiichi")	<ul style="list-style-type: none"> Has the same major shareholder, TFMAMA, which holds 50.10% in Daiichi. There are common directors, namely Mr. Pipat Paniangvait and Mr. Pun Paniangvait 	<ul style="list-style-type: none"> The Company purchases packaging such as fruit pie film, deli sandwich film, hot dog bread film. 	0.81	2.55	11.48	Agreed price which is close to the market price taking into account the purchase quantity.
5. Saha Pathanapibul Public Company Limited ("SPC")	<ul style="list-style-type: none"> SPI holds 1.03% shares of the Company. There are connected directors 	<ul style="list-style-type: none"> Sugar raw materials purchasing company Miscellaneous items purchasing company such as detergents. dividends paid 	11.05 0.32 8.28	5.83 - 9.53	11.48 - 7.72	Agreed price which is close to the market price taking into account the purchase quantity. as declared
6. American Food Company Limited ("BUD's")	<ul style="list-style-type: none"> The Company holds 9% shares There are common directors: Mr. Apisate Thammanomai Mr. Vichai Kulsomphob and Dr. Pojjanee Paniangvait 	<ul style="list-style-type: none"> Purchased Ice Cream 	-	0.02	0.03	as declared Agreed price which is close to the market price taking into account the purchase quantity.

Person who may have conflict of interest	Nature of relationship	Item Characteristics	Transaction Value (Million Baht)			Pricing Policy and Transaction Rationality
			For the year ended 31 Dec 2021	For the year ended 31 Dec 2020	For the year ended 31 Dec 2019	
7. President Green House Foods Company Limited ("PGH")	<ul style="list-style-type: none"> The Company holds a 39% stake in PGH. There are common directors: Mr. Apisate Thammanomai Ms. Petcharat Anantawichai and Ms. Saipin Kittipornpimol 	• The Company sells products to PGH such as breadcrumbs.	1.96	2.47	3.16	Mutually agreed price which is close to the market price as declared
		• Servicing to other companies	2.45	3.29	3.27	
		• Dividends received	1.73	2.05	5.21	

Necessity and Rationality of Related Transactions

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

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

In 2021, the Audit Committee considered connected transactions or items that may have conflicts of interest, including the disclosure of such transactions according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. at a reasonable price and has disclosed sufficient, accurate, and complete information.

Guidelines or Trends for Connected Transactions

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

Future Connected Transactions

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

Section 3 Financial Statements

Report of The Board of Directors' Responsibilities For Preparation of Financial Statement For The Year 2021

120

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

During the year, the Company has complied with financial reporting and Thai Financial Reporting Standard and other standards, which are effective for fiscal year starting on or after January 1, 2021. Those financial reporting revisions have caused significant change on financial statement of the Company. Since the adjustment to international financial reporting standard revisions that mostly add clear explanation to better accounting practices and guidelines to the standard users, the implementation of such financial reporting standards does not have significant impact onto the Company Statement of Financial Position.

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

The Board of Directors appointed the Audit Committee, which consisted of independent directors and experts, to review and ensure that the Company has accurately report financial information and performance, maintain efficient and sufficient internal control system and internal audit in order to appropriately and effectively manage risks to be at an acceptable level. Furthermore, The Audit Committee monitored to ensure that the Company conduct its business in accordance with the laws on Securities and Exchange regulations of the Stock Exchange or laws related to the Company's business and other obligations. In addition, to accurately and completely disclose and conduct related transactions or transactions involving a potential conflict of interest as well as perform the duties transparently, reliably and in line with good corporate governance system. The opinion of the Audit Committee on the matters is appeared in the report of the Audit Committee in 56-1 One Report

The Board of Directors is of the opinion that internal control system provides reasonable assurance for financial statement of President Bakery Public Company Limited, as at December 31, 2021.



(Mr. Pipat Paniangvait)

Chairman of the Board



(Mr. Apichart Thammanomai)

Vice Chairman of the Board and Managing Director

Section 3 Financial Statements

Independent Auditor's Report

To the Shareholders of President Bakery Public Company Limited

Opinion

I have audited the accompanying statement of financial position, in which the equity method is applied, of President Bakery Public Company Limited ("the Company") as at 31 December 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows, in which the equity method is applied, for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of President Bakery Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of President Bakery Public Company Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

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

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

Other Information

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group to express an opinion on the financial statements, in which the equity method is applied. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Siriwan Nitdamrong

Certified Public Accountant (Thailand) No. 5906

EY Office Limited

Bangkok: 21 February 2022

Section 3 Financial Statements

Statements of Financial Position

President Bakery Public Company Limited

As at 31 December 2021

(Unit: Baht)

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets					
Current assets					
Cash and cash equivalents	6	389,769,346	368,353,215	389,769,346	368,353,215
Trade and other receivables	7, 9	871,297,832	747,075,856	871,297,832	747,075,856
Inventories	8	189,656,519	168,311,918	189,656,519	168,311,918
Other current financial assets	11	4,216,190,679	3,826,171,185	4,216,190,679	3,826,171,185
Other current assets		11,376,835	13,767,896	11,376,835	13,767,896
Total current assets		5,678,291,211	5,123,680,070	5,678,291,211	5,123,680,070
Non-current assets					
Investment in joint venture	10	31,346,410	29,819,188	5,850,000	5,850,000
Other non-current financial assets	11	2,069,776,347	1,492,898,723	2,069,776,347	1,492,898,723
Property, plant and equipment	12	3,425,884,901	3,621,433,978	3,425,884,901	3,621,433,978
Right-of-use assets	15.1	8,986,926	15,297,812	8,986,926	15,297,812
Advance payments for purchase of assets		4,974,601	542,149	4,974,601	542,149
Intangible assets	13	11,510,290	11,153,949	11,510,290	11,153,949
Other non-current assets		3,435,770	4,060,857	3,435,770	4,060,857
Total non-current assets		5,555,915,245	5,175,206,656	5,530,418,835	5,151,237,468
Total assets		11,234,206,456	10,298,886,726	11,208,710,046	10,274,917,538

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

Section 3 Financial Statements

Statements of Financial Position (Continued)

President Bakery Public Company Limited

As at 31 December 2021

(Unit: Baht)

Note	Financial statements in which the equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	9, 14	638,543,338	574,305,323	638,543,338
Current portion of lease liabilities	15.2	5,754,733	9,537,351	5,754,733
Corporate income tax payable		123,905,202	109,301,281	123,905,202
Accrued expenses		207,304,206	223,741,492	207,304,206
Other current liabilities		3,082,446	2,526,251	3,082,446
Total current liabilities		978,589,925	919,411,698	978,589,925
Non-current liabilities				
Lease liabilities, net of current portion	15.2	3,500,478	6,082,315	3,500,478
Deferred tax liabilities	22	19,180,092	23,592,955	19,180,092
Provision for long-term employee benefits	16	88,472,541	96,101,551	88,472,541
Other non-current liabilities		3,989,512	3,830,402	3,989,512
Total non-current liabilities		115,142,623	129,607,223	115,142,623
Total liabilities		1,093,732,548	1,049,018,921	1,093,732,548
Shareholders' equity				
Share capital				
Registered				
450,000,000 ordinary shares of Baht 1 each		450,000,000	450,000,000	450,000,000
Issued and fully paid-up				
450,000,000 ordinary shares of Baht 1 each		450,000,000	450,000,000	450,000,000
Share premium		674,379,513	674,379,513	674,379,513
Retained earnings				
Appropriated - statutory reserve	17	45,000,000	45,000,000	45,000,000
Unappropriated		8,851,568,103	7,940,817,218	8,826,071,693
Other components of shareholders' equity		119,526,292	139,671,074	119,526,292
Total shareholders' equity		10,140,473,908	9,249,867,805	10,114,977,498
Total liabilities and shareholders' equity		11,234,206,456	10,298,886,726	11,208,710,046

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

Section 3 Financial Statements

Statements of Comprehensive Income

President Bakery Public Company Limited

For the year ended 31 December 2021

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Sales	25	7,159,937,299	7,143,477,091	7,159,937,299	7,143,477,091
Other income	18	47,675,195	42,459,646	49,400,945	44,507,146
Total revenues		<u>7,207,612,494</u>	<u>7,185,936,737</u>	<u>7,209,338,244</u>	<u>7,187,984,237</u>
Expenses	21				
Cost of sales		3,773,531,275	3,742,851,643	3,773,531,275	3,742,851,643
Selling and distribution expenses		1,335,448,332	1,358,029,840	1,335,448,332	1,358,029,840
Administrative expenses		245,536,287	251,062,062	245,536,287	251,062,062
Total expenses		<u>5,354,515,894</u>	<u>5,351,943,545</u>	<u>5,354,515,894</u>	<u>5,351,943,545</u>
Operating profit		<u>1,853,096,600</u>	<u>1,833,993,192</u>	<u>1,854,822,350</u>	<u>1,836,040,692</u>
Share of profit from investment in joint venture	10.2	3,252,972	3,442,563	-	-
Finance income	19	45,910,044	60,407,587	45,910,044	60,407,587
Finance cost	20	(671,610)	(808,788)	(671,610)	(808,788)
Profit before income tax expenses		<u>1,901,588,006</u>	<u>1,897,034,554</u>	<u>1,900,060,784</u>	<u>1,895,639,491</u>
Income tax expenses	22	(213,914,363)	(218,369,278)	(213,914,363)	(218,369,278)
Profit for the year		<u>1,687,673,643</u>	<u>1,678,665,276</u>	<u>1,686,146,421</u>	<u>1,677,270,213</u>

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

Section 3 Financial Statements

Statements of Comprehensive Income (Continued)

President Bakery Public Company Limited

For the year ended 31 December 2021

(Unit: Baht)

		Financial statements in which the equity method is applied		Separate financial statements	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on changes in value of debt investment designated at fair value through other comprehensive income - net of income tax		<u>(5,783,836)</u>	<u>(3,627,839)</u>	<u>(5,783,836)</u>	<u>(3,627,839)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(5,783,836)</u>	<u>(3,627,839)</u>	<u>(5,783,836)</u>	<u>(3,627,839)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of equity investment designated at fair value through other comprehensive income - net of income tax		<u>9,716,296</u>	<u>(4,536,794)</u>	<u>9,716,296</u>	<u>(4,536,794)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>9,716,296</u>	<u>(4,536,794)</u>	<u>9,716,296</u>	<u>(4,536,794)</u>
Other comprehensive income for the year		<u>3,932,460</u>	<u>(8,164,633)</u>	<u>3,932,460</u>	<u>(8,164,633)</u>
Total comprehensive income for the year		<u>1,691,606,103</u>	<u>1,670,500,643</u>	<u>1,690,078,881</u>	<u>1,669,105,580</u>
Earnings per share					
	23				
Basic earnings per share		<u>3.75</u>	<u>3.73</u>	<u>3.75</u>	<u>3.73</u>

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

Section 3 Financial Statements

Statements of Changes in Shareholders' Equity

President Bakery Public Company Limited
For the year ended 31 December 2021

Financial statements in which the equity method is applied							(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Fair value reserve of financial assets at FVOCI	Total
				Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2020		450,000,000	674,379,513	45,000,000	7,189,820,469	142,667,180	8,501,867,162
Profit for the year		-	-	-	1,678,665,276	-	1,678,665,276
Other comprehensive income for the year		-	-	-	-	(8,164,633)	(8,164,633)
Total comprehensive income for the year		-	-	-	1,678,665,276	(8,164,633)	1,670,500,643
Dividend payment	24	-	-	-	(922,500,000)	-	(922,500,000)
Transfer fair value reserve of equity instruments designated at FVOC to retained earnings		-	-	-	(5,168,527)	5,168,527	-
Balance as at 31 December 2020		450,000,000	674,379,513	45,000,000	7,940,817,218	139,671,074	9,249,867,805
Balance as at 1 January 2021		450,000,000	674,379,513	45,000,000	7,940,817,218	139,671,074	9,249,867,805
Profit for the year		-	-	-	1,687,673,643	-	1,687,673,643
Other comprehensive income for the year		-	-	-	-	3,932,460	3,932,460
Total comprehensive income for the year		-	-	-	1,687,673,643	3,932,460	1,691,606,103
Dividend payment	24	-	-	-	(801,000,000)	-	(801,000,000)
Transfer fair value reserve of equity instruments designated at FVOC to retained earnings		-	-	-	24,077,242	(24,077,242)	-
Balance as at 31 December 2021		450,000,000	674,379,513	45,000,000	8,851,568,103	119,526,292	10,140,473,908

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

Section 3 Financial Statements

Statements of Changes in Shareholders' Equity (Continued)

President Bakery Public Company Limited
For the year ended 31 December 2021

		Separate financial statements					(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Fair value reserve of financial assets at FVOCI	Total
				Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2020		450,000,000	674,379,513	45,000,000	7,167,248,344	142,667,180	8,479,293,037
Profit for the year		-	-	-	1,677,270,213	-	1,677,270,213
Other comprehensive income for the year		-	-	-	-	(8,164,633)	(8,164,633)
Total comprehensive income for the year		-	-	-	1,677,270,213	(8,164,633)	1,669,105,580
Dividend payment	24	-	-	-	(922,500,000)	-	(922,500,000)
Transfer fair value reserve of equity instruments designated at FVOC to retained earnings		-	-	-	(5,168,527)	5,168,527	-
Balance as at 31 December 2020		450,000,000	674,379,513	45,000,000	7,916,848,030	139,671,074	9,225,898,617
Balance as at 1 January 2021		450,000,000	674,379,513	45,000,000	7,916,848,030	139,671,074	9,225,898,617
Profit for the year		-	-	-	1,686,146,421	-	1,686,146,421
Other comprehensive income for the year		-	-	-	-	3,932,460	3,932,460
Total comprehensive income for the year		-	-	-	1,686,146,421	3,932,460	1,690,078,881
Dividend payment	24	-	-	-	(801,000,000)	-	(801,000,000)
Transfer fair value reserve of equity instruments designated at FVOC to retained earnings		-	-	-	24,077,242	(24,077,242)	-
Balance as at 31 December 2021		450,000,000	674,379,513	45,000,000	8,826,071,693	119,526,292	10,114,977,498

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

Section 3 Financial Statements

Statements of Cash Flows

President Bakery Public Company Limited

For the year ended 31 December 2021

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	1,901,588,006	1,897,034,554	1,900,060,784	1,895,639,491
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	425,423,458	492,803,775	425,423,458	492,803,775
Gain on disposals of property, plant and equipment	(667,945)	(1,990,697)	(667,945)	(1,990,697)
Provision for litigation	-	7,700,000	-	7,700,000
Share of profit from investment in joint venture	(3,252,972)	(3,442,563)	-	-
Gain on sales of other current financial assets	(220,435)	(399,617)	(220,435)	(399,617)
Gain on sales of other non-current financial assets	(31,703,653)	(2,290,783)	(31,703,653)	(2,290,783)
Gain (loss) from sales of equity instruments not recognised in profit or loss	30,096,553	(5,168,527)	30,096,553	(5,168,527)
Unrealised gain on exchange	(140,974)	(75,167)	(140,974)	(75,167)
Gain from fair value measurement of financial assets	(41,080)	-	(41,080)	-
Provision for long-term employee benefits	8,086,497	8,248,151	8,086,497	8,248,151
Dividend income from listed equity investments	(8,609,476)	(2,821,636)	(8,609,476)	(2,821,636)
Dividend income from joint venture	-	-	(1,725,750)	(2,047,500)
Dividend income from non-listed equity investment	(7,350,000)	(4,800,000)	(7,350,000)	(4,800,000)
Finance income	(45,910,044)	(60,407,587)	(45,910,044)	(60,407,587)
Finance cost	671,610	808,788	671,610	808,788
Profit from operating activities before changes in operating assets and liabilities	2,267,969,545	2,325,198,691	2,267,969,545	2,325,198,691
Decrease (increase) in operating assets				
Trade and other receivables	(117,723,537)	180,761,020	(117,723,537)	180,761,020
Inventories	(21,344,600)	5,939,523	(21,344,600)	5,939,523
Other current assets	2,391,060	408,413	2,391,060	408,413
Other non-current assets	625,087	467,788	625,087	467,788
Increase (decrease) in operating liabilities				
Trade and other payables	65,276,630	(55,393,397)	65,276,630	(55,393,397)
Other current liabilities	(17,392,957)	(29,052,172)	(17,392,957)	(29,052,172)
Other non-current liabilities	159,110	760	159,110	760
Provision for long-term employee benefits	(15,715,507)	(11,561,264)	(15,715,507)	(11,561,264)
Cash from operating activities	2,164,244,831	2,416,769,362	2,164,244,831	2,416,769,362
Cash paid for income tax	(204,706,420)	(227,176,178)	(204,706,420)	(227,176,178)
Net cash from operating activities	1,959,538,411	2,189,593,184	1,959,538,411	2,189,593,184

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

Section 3 Financial Statements

Statements of Cash Flows (Continued)

President Bakery Public Company Limited

For the year ended 31 December 2021

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Restricted bank deposit	-	36,348,041	-	36,348,041
Cash paid for other current financial assets	(6,363,361,436)	(5,227,524,254)	(6,363,361,436)	(5,227,524,254)
Cash paid for other non-current financial assets	(2,879,105,876)	(2,501,101,711)	(2,879,105,876)	(2,501,101,711)
Cash received from sales of other current financial assets	6,467,000,316	4,114,032,474	6,467,000,316	4,114,032,474
Cash received from sales of other non-current financial assets	1,801,213,196	2,368,651,254	1,801,213,196	2,368,651,254
Acquisitions of property, plant and equipment	(221,467,599)	(113,346,674)	(221,467,599)	(113,346,674)
Proceeds from disposals of property, plant and equipment	1,115,566	3,515,980	1,115,566	3,515,980
Decrease in advance payments for purchase of assets	(4,432,452)	571,350	(4,432,452)	571,350
Increase in intangible assets	(2,150,300)	(2,457,323)	(2,150,300)	(2,457,323)
Interest received	56,846,995	68,773,232	56,846,995	68,773,232
Dividend income from listed equity investments	8,652,852	2,883,665	8,652,852	2,883,665
Dividend income from joint venture	1,725,750	2,047,500	1,725,750	2,047,500
Dividend income from non-listed equity investment	7,350,000	4,800,000	7,350,000	4,800,000
Net cash used in investing activities	(1,126,612,988)	(1,242,806,466)	(1,126,612,988)	(1,242,806,466)
Cash from financing activities				
Payment of principal portion of lease liabilities	(9,837,682)	(21,744,751)	(9,837,682)	(21,744,751)
Cash paid for interest expenses	(671,610)	(808,788)	(671,610)	(808,788)
Dividend payments	(801,000,000)	(922,500,000)	(801,000,000)	(922,500,000)
Net cash used in financing activities	(811,509,292)	(945,053,539)	(811,509,292)	(945,053,539)
Net increase in cash and cash equivalents	21,416,131	1,733,179	21,416,131	1,733,179
Cash and cash equivalents at beginning of year	368,353,215	366,620,036	368,353,215	366,620,036
Cash and cash equivalents at end of year (Note 6)	389,769,346	368,353,215	389,769,346	368,353,215

Supplementary disclosures of cash flows information

Non-cash related transactions

Other payables for purchases of machinery and equipment and retention	12,912,392	15,632,146	12,912,392	15,632,146
Acquisition of right-of-use assets under lease contracts	3,629,392	260,666	3,629,392	260,666

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

Section 3 Financial Statements

Notes to Financial Statements

President Bakery Public Company Limited

For the year ended 31 December 2021

1. General information

1.1 Corporate information

President Bakery Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Thai President Foods Public Company Limited, which is a public company incorporated in Thailand. The Company is principally engaged in the manufacture and sales of bakery products and its registered address is at No. 121/84-85, 29th Floor, RS Tower, Ratchadapisek Road, Dindaeng, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

Furthermore, the Company elected to adopt the amendments to TFRS 16, Leases, relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease.

The Company applies the practical expedient to rent concessions that meet the above conditions. The adoption of this practical expedient does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

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 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

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

When a contract provided a customer with a right to return the goods within a specified period, the Company recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Inventories

Inventories are valued at the lower of cost (under weighted average basis) and net realisable value. Cost of finished goods and work in process comprises all production costs and attributable factory overhead.

Raw and packing materials, spare parts and factory supplies are charged to production costs whenever consumed.

4.4 Investment in joint venture

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

Investment in joint ventures is accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment and depreciation

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

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the estimated useful lives of assets, except for computer equipment acquired since 1 January 2002 calculated by double declining balance basis, as follows:

Buildings and improvements	-	10 - 20 years
Machinery and equipment	-	5 - 20 years
Computer equipment	-	3 - 5 years
Furniture and office equipment	-	3 - 5 years
Motor vehicles	-	5 years

No depreciation is provided on land, construction in progress and assets under installation.

Depreciation is included in determining income.

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

4.6 Intangible assets

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

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life, except for computer software acquired since 1 January 2002 to 31 December 2015 calculated by double declining balance basis and since 1 January 2016 calculated by straight-line basis, and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years

The amortisation is included in determining income.

4.7 Assets held for sale

Assets held for sale are stated at the lower of cost and estimated net realisable value.

Gain (loss) on disposal of assets held for sale are recognised in profit or loss in the statements of comprehensive income upon disposal.

Loss on impairment (if any) is recognised as an expense in profit or loss in the statements of comprehensive income.

4.8 Related party transactions

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

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

4.9 Leases

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

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings and improvements	3	years
Furniture and office equipment	3	years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

4.10 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and right-of-use assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that the previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and death. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 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 Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component or for which at contract inception the Company expected payment by the customer less than one year, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVOCI (debt instruments)

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

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

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

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

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

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

Recognition and derecognition of financial instruments

Regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date on which the Company becomes a party to contractual provisions of the instruments.

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

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

Impairment of financial assets

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

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

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

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 Company uses derivatives, such as forward currency contract to hedge its foreign currency risks.

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

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

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company 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 Company measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Leases

Determining the lease term with extension and termination options - The Company as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Company as a lessee

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Fair value of financial instruments

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

Property plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimated 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 records impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. 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 plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess the results of the litigation and believes that the provision made would be sufficient. However, actual results could differ from the estimates.

147

6. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cash	954	982
Bank deposits	188,815	367,371
Bills of exchange	200,000	-
Total	<u>389,769</u>	<u>368,353</u>

As at 31 December 2021, bank deposits in savings accounts, fixed deposits and bills of exchange carried interests between 0.05 and 1.10 percent per annum (2020: between 0.05 and 0.50 percent per annum).

7. Trade and other receivables

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related party</u>		
Aged on the basis of due dates		
Not yet due	379	354
Total trade receivables - related party	379	354
<u>Trade receivables - unrelated parties</u>		
Not yet due	469,578	431,796
Past due		
Up to 3 months	392,384	311,692
6 - 12 months	-	13
Total trade receivables - unrelated parties	861,962	743,501
Total trade receivables	862,341	743,855
<u>Other receivables</u>		
Other receivables - related party	232	180
Other receivables - unrelated parties	8,725	3,041
Total other receivables	8,957	3,221
Total trade and other receivables	871,298	747,076

8. Inventories

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Finished goods	3,779	4,179
Work in process	3,407	4,041
Raw materials	97,069	79,993
Packaging materials	34,178	37,242
Spare parts and factory supplies	51,224	42,857
Total	189,657	168,312

9. Related party transactions

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

(Unit: Million Baht)

	<u>2021</u>	<u>2020</u>	<u>Transfer pricing and lending policy</u>
Transactions with parent company			
Dividend payment	416.5	479.6	At the declared rate
Transactions with related companies			
Purchases of goods	469.5	507.8	Agreed price which approximates the market price by reference to purchase volume
Dividend payment	188.3	216.7	At the declared rate
Dividend income	7.4	4.8	At the declared rate
Transactions with joint venture			
Sales of goods	2.0	2.5	Agreed price which approximates the market price
Service income	1.8	2.7	Agreed price which approximates the market price
Rental income	0.6	0.6	Agreed price which approximates the market price
Dividend income	1.7	2.0	At the declared rate

The balances of accounts as at 31 December 2021 and 2020 between the Company and those related persons or parties are as follows:

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Trade and other receivables - related party (Note 7)		
Joint venture (related by the Company holding interest in that company and by common shareholders and common directors)	611	534
Total trade and other receivables - related party	<u>611</u>	<u>534</u>
Trade and other payables - related parties (Note 14)		
Related companies (related by having holding interest in the Company and/or by common shareholders and common directors)	96,571	128,411
Connected companies (related by connected directors)	1,204	4,799
Total trade and other payables - related parties	<u>97,775</u>	<u>133,210</u>

Directors' and management's remuneration

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	57.7	57.2
Post-employment benefits and other long-term benefits	1.3	1.4
Total	<u>59.0</u>	<u>58.6</u>

10. Investment in joint venture

10.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other companies. Details of the investment are as follows:

Joint venture	Nature of business	Paid-up capital Million Baht	Shareholding percentage		Financial statements in which the equity method is applied - carrying amount based on equity method		Separate financial statements - carrying amount based on cost method	
			31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
			Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
President Green House Foods Co., Ltd.	Operating the Japanese restaurant	15	39	39	31,346	29,819	5,850	5,850
Total investment in joint venture					<u>31,346</u>	<u>29,819</u>	<u>5,850</u>	<u>5,850</u>

In May 2008, the Company, together with a foreign company and a local company, jointly established President Green House Foods Company Limited to operate a Japanese restaurant. The Company had invested in 585,000 ordinary shares of this company at par value Baht 10 per share, amounting to Baht 5.85 million, or equivalent to 39% interest, and has treated this investment as investment in joint venture.

10.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investment in the joint venture in the financial statements in which the equity method is applied and dividend income in the separate financial statements in which cost method is applied as follows:

Joint venture	Financial statements in which the equity method is applied				(Unit: Thousand Baht)	
	Share of profit from investment in joint venture during the years		Share of other comprehensive income from investment in joint venture during the years		Dividend received during the years	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
President Green House Foods Company Limited	3,253	3,443	-	-	1,726	2,048
Total	<u>3,253</u>	<u>3,443</u>	<u>-</u>	<u>-</u>	<u>1,726</u>	<u>2,048</u>

10.3 Summarised financial information of joint venture

Summarised information about financial position

	(Unit: Million Baht)	
	As at 31 December	
	<u>2021</u>	<u>2020</u>
President Green House Foods Company Limited		
Cash and cash equivalents	15.4	21.0
Other current assets	71.1	61.7
Non-current assets	13.5	21.7
Other current liabilities	(14.9)	(19.3)
Non-current liabilities	(4.7)	(8.7)
Net assets	80.4	76.4
Shareholding percentage	39%	39%
Share of net assets	31.3	29.8
Carrying amounts of joint venture based on equity method	31.3	29.8

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the years ended 31 December	
	<u>2021</u>	<u>2020</u>
President Green House Foods Company Limited		
Sales and service income	63.1	77.4
Other income	5.6	1.4
Expenses	58.0	67.1
Finance cost	0.6	0.9
Income tax expenses	1.8	2.0
Profit	8.3	8.8
Total comprehensive income	8.3	8.8

11. Other financial assets

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<u>Debt instruments at amortised cost</u>		
Fixed deposits	3,219,180	3,305,771
Total debt instruments at amortised cost	3,219,180	3,305,771
<u>Debt instruments at FVOCI</u>		
Bank of Thailand bond	1,371,399	832,612
Corporate bond, note or debt instruments	742,877	576,718
Total debt instruments at FVOCI	2,114,276	1,409,330
<u>Equity instruments designated at FVOCI</u>		
Listed equity instrument		
Advanced Info Service Public Co., Ltd.	16,744	8,008
PTT Public Co., Ltd.	16,051	19,452
Others	305,571	200,931
Non-listed equity instrument		
Saha Capital Tower Co., Ltd.	275,000	110,000
President Flour Mills Co., Ltd.	200,688	223,404
Other	12,905	23,258
Unit trust	30,850	18,916
Total equity instruments designated at FVOCI	857,809	603,969
<u>Financial asset at FVTPL</u>		
Open-end fund	94,673	-
Derivative asset (Note 30)	29	-
Total financial asset at FVTPL	94,702	-
Total other financial assets	6,285,967	5,319,070
Classified as:		
Other current financial assets	4,216,191	3,826,171
Other non-current financial assets	2,069,776	1,492,899
Total other current financial assets	6,285,967	5,319,070

	(Unit: Million Baht)			
	31 December 2021		31 December 2021	
	Cost	Fair value	Cost	Fair value
Financial assets				
Quoted debt investments	2,108	2,114	1,396	1,409
Non-listed equity investments	367	489	202	357
Listed equity investments	313	338	217	228
Unit trust investments	32	31	21	19
Open-end fund	95	95	-	-
Total	2,915	3,067	1,836	2,013

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Company considers these investments to be strategic in nature.

During the year 2021, the Company sold its equity interest in some listed equity investment as this investment no longer coincides with the Company's investment strategy. The fair value on the date of sale was totaling of Baht 559.6 million (2020: Baht 320.0 million) and the accumulated gain recognised in other comprehensive income of Baht 30.1 million (2020: accumulated loss of Baht 5.2 million) was transferred to retained earnings.

In 2021, the Company received dividends in the amount of Baht 8.6 million (2020: Baht 2.8 million) from listed equity investments.

On 17 September 2019, the meeting of the Board of Directors of the Company passed a resolution approving the Company to purchase 2,000,000 ordinary shares of Saha Capital Tower Co., Ltd., which is engaged in property rental and development business at par value of Baht 100 per share, amounting to Baht 200 million, or equivalent to 10 percent of all shares. Saha Capital Tower Co., Ltd. fully called up the share capital and the Company fully made payment for share subscription in November 2021.

On 18 October 2021, the meeting of the Board of Directors of the Company passed a resolution approving the Company to purchase 3,000,000 newly issued ordinary shares of Saha Capital Tower Co., Ltd. at par value of Baht 100 per share, amounting to Baht 300 million to maintain the same shareholding proportion. Saha Capital Tower Co., Ltd. called up 25 percent of its share capital and the Company paid the share subscription of Baht 75 million in December 2021. The Company has treated this investment as equity instruments designated at FVOCI.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Buildings and improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
Cost							
1 January 2020	1,107,464	1,956,322	4,609,441	980,555	1,044,871	53,607	9,752,260
Additions	58,000	-	910	20,719	-	27,670	107,299
Transfers in (out)	-	-	18,726	7,947	11,397	(38,070)	-
Disposals	-	-	(34,744)	(16,699)	(11,974)	-	(63,417)
31 December 2020	1,165,464	1,956,322	4,594,333	992,522	1,044,294	43,207	9,796,142
Additions	91,604	-	2,200	32,845	-	92,095	218,744
Transfers in (out)	-	63,381	11,998	14,703	156	(90,238)	-
Disposals	-	-	-	(4,593)	(3,111)	-	(7,704)
31 December 2021	1,257,068	2,019,703	4,608,531	1,035,477	1,041,339	45,064	10,007,182
Accumulated depreciation							
1 January 2020	-	701,387	3,262,051	839,948	953,340	-	5,756,726
Depreciation for the year	-	95,413	280,354	59,181	44,926	-	479,874
Depreciation - disposals	-	-	(34,744)	(15,174)	(11,974)	-	(61,892)
31 December 2020	-	796,800	3,507,661	883,955	986,292	-	6,174,708
Depreciation for the year	-	93,514	235,212	54,920	30,199	-	413,845
Depreciation - disposals	-	-	-	(4,145)	(3,111)	-	(7,256)
31 December 2021	-	890,314	3,742,873	934,730	1,013,380	-	6,581,297
Net book value							
31 December 2020	1,165,464	1,159,522	1,086,672	108,567	58,002	43,207	3,621,434
31 December 2021	1,257,068	1,129,389	865,658	100,747	27,959	45,064	3,425,885
Depreciation for the year							
2020 (Baht 391 million included in manufacturing cost, and the balance included in selling and administrative expenses)							479,874
2021 (Baht 342 million included in manufacturing cost, and the balance included in selling and administrative expenses)							413,845

As at 31 December 2021, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 4,304.6 million (2020: Baht 3,552.2 million).

As at 31 December 2021, the Company has plant and equipment which was held for sales, with net book value amounting to Baht 0.3 million (2020: Baht 0.3 million). Therefore, such assets are transferred out to be presented as other current assets in the statement of financial position.

13. Intangible assets

Details of intangible assets, which are computer software, are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cost		
Balance - beginning of year	36,283	33,826
Additions	2,151	2,457
Balance - end of year	38,434	36,283
Less: Accumulated amortisation	(26,924)	(25,129)
Net book value	11,510	11,154
Amortisation expenses included in the statements of comprehensive income	1,795	1,970

14. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Trade payables - related parties	96,996	132,925
Trade payables - unrelated parties	419,866	316,623
Other payables - related party	779	285
Other payables - unrelated parties	110,216	110,156
Other payables for purchases of machinery and equipment	10,686	14,316
Total trade and other payables	638,543	574,305

15. Leases**The Company as lessee**

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 - 6 years.

Lease contracts have restriction that the underlying asset must not be subleased or used by others and several lease contracts specify the option to extend or end the lease terms.

15.1 Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)		
	Buildings and improvements	Furniture and office equipment	Total
1 January 2020	20,642	7,283	27,925
Additions	125	135	260
Remeasurement/termination	(1,002)	(1,093)	(2,095)
Depreciation for the year	(8,198)	(2,594)	(10,792)
31 December 2020	11,567	3,731	15,298
Additions	3,629	-	3,629
Remeasurement/termination	(156)	-	(156)
Depreciation for the year	(7,829)	(1,955)	(9,784)
31 December 2021	7,211	1,776	8,987

15.2 Lease liabilities

	(Unit: Thousand Baht)	
	31 December 2021	31 December 2020
Lease payments	9,737	16,706
Less: Deferred interest expenses	(482)	(1,087)
Net	9,255	15,619
Less: Portion due within one year	(5,755)	(9,537)
Lease liabilities - net of current portion	3,500	6,082

Movement of lease liabilities for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	15,619	27,925
Addition during the year	3,629	260
Remeasurement/termination	(156)	(2,095)
Accretion of interest	672	809
Repayment during the year	(10,509)	(11,280)
Balance at end of year	<u>9,255</u>	<u>15,619</u>

A maturity analysis of lease payments is disclosed in Note 30 under the liquidity risk.

15.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	<u>For the year ended 31 December</u>	
	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	9,784	10,792
Interest expense on lease liabilities	672	809
Expense relating to short-term leases	1,504	2,061
Expense relating to variable lease payments that do not depend on an index or a rate	9,514	12,681

The Company has lease contracts for office building space that contains variable payments based on sales. The lease term is 1 year.

15.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 21.5 million (2020: Baht 26.0 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 3.6 million (2020: Baht 0.2 million).

16. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Employee retirement benefits	Other long-term employee benefits	Total
Provision for long-term employee benefits as at			
1 January 2020	94,267	5,148	99,415
Included in profit or loss:			
Current service cost	5,922	930	6,852
Interest cost	1,332	64	1,396
Benefits paid during the year	(11,267)	(294)	(11,561)
Provision for long-term employee benefits as at			
31 December 2020	90,254	5,848	96,102
Included in profit or loss:			
Current service cost	5,568	1,115	6,683
Interest cost	1,311	92	1,403
Benefits paid during the year	(15,405)	(311)	(15,716)
Provision for long-term employee benefits as at			
31 December 2021	81,728	6,744	88,472

The Company expects to pay Baht 9.3 million of long-term employee benefits during the next year (2020: Baht 14.7 million).

As at 31 December 2021 and 2020, the weighted average duration of the liabilities for long-term employee benefits are summarised below.

(Unit: Year)

	<u>2021</u>	<u>2020</u>
Employee retirement benefits		
(depending on category of employees and type of benefits)	11 - 12	11 - 12
Other long-term employee benefits		
(depending on category of employees)	11 - 12	11 - 12

Significant actuarial assumptions are summarised below.

	<u>2021</u>	<u>2020</u>
	(% per annum)	(% per annum)
Discount rate	1.25 - 1.49	1.16 - 1.45
(depending on category of employees and type of benefits)		
Salary increase rate	2 - 3	2 - 3
(depending on category of employees)		

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

	(Unit: Million Baht)			
	As at 31 December 2021			
	Discount rate		Salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Employee retirement benefits	(5.6)	6.3	4.1	(3.7)
Other long-term employee benefits	(0.1)	0.1	-	-

	(Unit: Million Baht)			
	As at 31 December 2020			
	Discount rate		Salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Employee retirement benefits	(5.9)	6.7	3.9	(3.5)
Other long-term employee benefits	(0.1)	0.1	-	-

17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net 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.

18. Other income

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Dividend income from investments	15,960	7,622	15,960	7,622
Gain on sales of FVOCI debt instruments	2,248	7,236	2,248	7,236
Gain arising on FVTPL debt instruments	-	623	-	623
Gain on derivatives	29	-	29	-
Gain on exchange	-	27	-	27
Other income	29,438	26,952	31,164	28,999
Total	47,675	42,460	49,401	44,507

19. Finance income

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest income on debt instruments measured at amortised cost	26,650	37,136	26,650	37,136
Interest received from debt instruments at FVOCI	19,260	23,271	19,260	23,271
Total	45,910	60,407	45,910	60,407

20. Finance cost

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Interest expenses on lease liabilities	672	809
Total	672	809

21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Raw materials and consumables used	2,552,700	2,478,299
Changes in inventories of finished goods and work in process	1,034	431
Salaries and wages and other employee benefits	1,557,237	1,608,190
Depreciation and amortisation	425,423	492,803
Fuel and vehicle related expenses	241,321	217,033
Water and electricity expenses	174,188	189,024
Natural gas expenses	60,761	46,636

22. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Current income tax:		
Current income tax charge	219,310	199,405
Adjustment in respect of income tax of previous year	-	18,099
Deferred tax:		
Relating to origination and reversal of temporary differences	(5,396)	865
Income tax expenses reported in the profit or loss	<u>213,914</u>	<u>218,369</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to:		
Gain (loss) on changes in value of financial asset measured at FVOCI	5,036	(749)
	<u>5,036</u>	<u>(749)</u>

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	1,901,588	1,897,034	1,900,061	1,895,639
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	380,318	379,407	380,012	379,128
Adjustment in respect of income tax of previous year	-	18,099	-	18,099
Effects of:				
Promotional privileges (Note 25)	(162,673)	(180,201)	(162,673)	(180,201)
Non-deductible expenses	559	4,606	559	4,606
Additional expense deductions allowed	(2,169)	(1,893)	(2,169)	(1,893)
Income not subject to tax	(2,121)	(1,649)	(1,815)	(1,370)
Total	(166,404)	(179,137)	(166,098)	(178,858)
Income tax expenses reported in the profit or loss	213,914	218,369	213,914	218,369

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

(Unit: Thousand Baht)

	Statements of financial position	
	As at 31 December 2021	As at 31 December 2020
Deferred tax assets		
Lease	54	-
Provision for long-term employee benefits	10,724	11,503
Total	10,778	11,503
Deferred tax liabilities		
Gain on changes in value of financial asset measured at FVOCI	29,882	34,918
Accumulated depreciation - plant and equipment	76	128
Lease	-	50
Total	29,958	35,096
Deferred tax liabilities - net	(19,180)	(23,593)

23. Earnings per share

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

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the year (Thousand Baht)	1,687,674	1,678,665	1,686,146	1,677,270
Weighted average number of ordinary shares (Thousand shares)	450,000	450,000	450,000	450,000
Basic earnings per share (Baht)	3.75	3.73	3.75	3.73

24. Dividend payments

During the years ended 31 December 2021 and 2020, the Company had dividend payments as follows:

	<u>Approved by</u>	<u>Total dividends</u> (Thousand Baht)	<u>Dividend per share</u> (Baht)	<u>Paid on</u>
For the year 2021				
Final dividends for 2020	Annual General Meeting of the shareholders on 19 April 2021	423,000	0.94	17 May 2021
Interim dividend on the profit for the six-month period ended 30 June 2021	The meeting of the Company's Board of directors No. 8/2021 on 23 August 2021	378,000	0.84	22 September 2021
Total dividend payments for 2021		<u>801,000</u>	<u>1.78</u>	
For the year 2020				
Interim dividend on profit for the last six-month period ended 2019	The meeting of the Company's Board of Directors No. 4 /2020 on 8 April 2020	490,500	1.09	7 May 2020
Interim dividend on profit for the six-month period ended 30 June 2020	The meeting of the Company's Board of Directors No. 9 /2020 on 17 August 2020	432,000	0.96	16 September 2020
Total dividend payments for 2020		<u>922,500</u>	<u>2.05</u>	

25. Promotional privileges

The Company has received the promotional privileges from the Board of Investment under the Investment Promotion Act B.E. 2520 as follows:

Certificate No.	1343(2)/2555	2218(2)/2557
Date	22 March 2012	25 September 2014
1. Promotional privileges for	Manufacture of bakery products	Manufacture of whole grain products
2. Significant privileges		
2.1 Exemption from import duty on approved machinery	Granted	Granted
2.2 Exemption from corporate income tax on net income from promoted operation (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the operations on which the corporate income tax is exempted throughout the corporate income tax exemption period	8 years (not over 100 percent of investment excluding land and working capital)	8 years (not over 100 percent of investment excluding land and working capital)
2.3 Allowance to deduct operating loss incurred during the corporate income tax exemption period from net income incurred thereafter (after exemption period in 2.2)	5 years	5 years
3. Commencing date	1 June 2017	1 October 2014

Sales of the Company are derived from domestic sales which could be segregated between promoted and non-promoted operations as follows:

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Sales		
Promoted operations	2,861	2,974
Non-promoted operations	4,299	4,169
Total sales	<u>7,160</u>	<u>7,143</u>

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent and 3 - 15 percent of basic salary, respectively. The fund, which is managed by Tisco Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2021, the Company recognised the contributions of Baht 27.2 million (2020: Baht 27.8 million) as expenses.

27. Operating segment information

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

The one main reportable operating segment of the Company is manufacture and sales of bakery products and the single geographical area of its operations is Thailand. The distribution channels are through wholesale and retail. The wholesale for the year ended 31 December 2021 amounted to approximately Baht 6,613 million, or 92.4% of total sales (2020: Baht 6,572 million, or 92.0% of total sales). The Company's sales were from a main local customer, representing about 47.5% of total sales (2020: 47.8% of total sales). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2021, the Company had capital commitments in respect of procurement agreements for production machinery and equipment of approximately AUD 0.03 million and USD 0.02 million, totaling approximately Baht 1.1 million (2020: AUD 0.03 million and USD 0.01 million, totaling approximately Baht 0.8 million).

28.2 Short-term lease and other service commitments

The Company and the joint venture have entered into several short-term lease contracts and related services. The terms of the agreements are generally between 6 months and 3 years.

As at 31 December 2021, future lease and service fees payables under these lease and service contracts were as follows:

	(Unit: Million Baht)	
	The Company	Joint venture
<u>Payable:</u>		
Within 1 year	4.6	5.0
1 to 2 years	0.6	0.7
Total	5.2	5.7

28.3 Long-term service commitments

The joint venture entered into the license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to operation and management of restaurants. Under the conditions of the agreement, the joint venture is to pay an annual license fee as stipulated in the agreement. The license fees for the year 2021 amounted to approximately Baht 1.4 million (2020: Baht 1.8 million).

28.4 Long-term purchase commitments

The Company has commitments under natural gas purchase agreement for a period of 1 - 5 years. Under the agreement, the Company is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

No.	Period (Years)	Expired date	Average minimum quantity purchase (Million BTU)
1.	1	30 November 2022	45,565 per annum
2.	1	30 November 2022	25,895 per annum
3.	5	31 December 2023	307 per day

28.5 Guarantees

As at 31 December 2021, there were bank guarantees of approximately Baht 30.2 million (2020: Baht 65.3 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of the Company's business. These included letters of guarantee amounting to Baht 26.0 million (2020: Baht 26.0 million) to guarantee electricity use, Baht 3.0 million (2020: Baht 3.0 million) to guarantee contractual performance under the natural gas purchase agreement, and Baht 1.2 million (2020: Nil) to guarantee sales.

Moreover, in 2020, the Company had a letter of guarantee in respect of tax installment payment of Baht 36.3 million that was pledged with the Revenue Department. In 2021, the Company fully paid tax and therefore requested to redeem the letter of guarantee.

28.6 Litigation

In March 2020, the Company was sued by the Department of Empowerment of Persons with Disabilities which demanded that the Company contribute to the fund for Empowerment of Persons with Disabilities with an interest in a total amount of Baht 7.7 million. Subsequently on 20 August 2021, the Company paid such amount including interest up to the date of payment in a total amount of Baht 8.4 million.

29. Fair value hierarchy

As at 31 December 2021 and 2020, the Company had the assets that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)				
Financial statements in which the equity method is applied and Separate financial statements				
2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed equity instrument	338,366	-	-	338,366
Debt instrument	-	2,114,276	-	2,114,276
Non-listed equity instrument	-	-	488,593	488,593
Unit trust	-	30,850	-	30,850
Financial assets measured at FVTPL				
Open-end fund	-	94,673	-	94,673
Derivatives assets				
Foreign currency forward contracts	-	29	-	29

[167](#)

(Unit: Million Baht)				
Financial statements in which the equity method is applied and Separate financial statements				
2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed equity instrument	228,391	-	-	228,391
Debt instrument	-	1,409,330	-	1,409,330
Non-listed equity instrument	-	-	356,662	356,662
Unit trust	-	18,916	-	18,916

30. Financial instruments

30.1 Derivatives

Derivatives not designated as hedging instruments

(Unit: Thousand Baht)		
	<u>2021</u>	<u>2020</u>
Derivatives assets		
Derivatives assets not designated as hedging instruments		
Foreign exchange forward contracts	29	-
Total derivatives assets	<u>29</u>	<u>-</u>

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 - 2 months.

30.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade accounts receivable and investments in debt and equity instruments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. The normal credit term is 7 days to 60 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are past due not more than one year.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on a monthly basis, and may be updated throughout the year subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

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

Market risk

There are two types of market risk comprising interest rate risk and currency risk. The Company enters into derivatives to manage its risk exposure that are foreign exchange forward contracts to hedge the foreign currency risk arising on the import of goods and equipment.

Foreign currency risk

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

The balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	<u>2021</u> (Thousand)	<u>2020</u> (Thousand)	<u>2021</u> (Baht per 1 foreign currency unit)	<u>2020</u>
Japanese yen	3,859	15,012	0.2944	0.2945
Yuan renminbi	732	-	5.3185	-
US dollar	642	750	33.5929	30.2068
Australian dollar	29	-	24.6798	-
Euro	14	33	38.2813	37.2578

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	2021		2020	
	Change in FX	Effect on profit	Change in FX	Effect on profit
	rate	before tax	rate	before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+13.5	(2,911)	+11.0	(2,492)
	-13.5	2,911	- 11.0	2,492

The information is not a forecast or prediction of future market conditions.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. Financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, 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.

	As at 31 December 2021					
	Fixed interest rates					
	Within	1 - 5	Floating	Non-interest		Effective
	1 year	years	interest rate	bearing	Total	interest rate
	Million Baht					(% p.a.)
Financial assets						
Cash and cash equivalents	200	-	171	19	390	0.05 - 1.10
Other current financial assets	4,188	-	28	-	4,216	0.1 - 5.11
Trade and other receivables	-	-	-	871	871	-
Other non-current financial assets	-	1,118	-	952	2,070	0.66 - 5.35
	4,388	1,118	209	1,842	7,547	
Financial liabilities						
Trade and other payables	-	-	-	639	639	-
Liabilities under lease agreements	6	3	-	-	9	5.20 - 6.01
	6	3	-	639	648	

As at 31 December 2020

	Fixed interest rates					
	Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Million Baht					(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	342	26	368	0.05 - 0.50
Other current financial assets	3,750	-	76	-	3,826	0.10 - 4.90
Trade and other receivables	-	-	-	747	747	-
Other non-current financial assets	-	889	-	604	1,493	0.56 - 5.11
	3,750	889	418	1,377	6,434	
Financial liabilities						
Trade and other payables	-	-	-	574	574	-
Liabilities under lease agreements	10	6	-	-	16	4.00 - 6.01
	10	6	-	574	590	

Liquidity risk

The Company manages liquidity risk to meet its obligations and maintain cash balances to cover the liquidity needs. The Company has assessed that the Company has sufficient working capital to settle financial liabilities and concluded the risk to be low.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

171

	(Unit: Thousand Baht)		
	As at 31 December 2021		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	638,543	-	638,543
Lease liabilities	6,099	3,638	9,737
Total non-derivatives	644,642	3,638	648,280
	(Unit: Thousand Baht)		
	As at 31 December 2020		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	574,305	-	574,305
Lease liabilities	10,171	6,535	16,706
Total non-derivatives	584,476	6,535	591,011

30.3 Fair values of financial instruments

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

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivables and trade and other payables, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- 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, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company considers to counterparty credit risk when determining the fair value of derivatives.

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

30.4 Reconciliation of recurring fair value measurements, of financial assets, categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht) Financial statements in which the equity method is applied and Separate financial statement Non-listed equity instrument
Balance as of 1 January 2020	295,118
Acquired during the year	70,000
Net loss recognised into other comprehensive income	(8,456)
Balance as of 31 December 2020	356,662
Acquired during the year	165,000
Net loss recognised into other comprehensive income	(33,069)
Balance as of 31 December 2021	488,593

Key assumptions used in the valuation are summarised below.

Financial instrument	Valuation technique	Significant unobservable output	Rates
Non-listed equity instrument	Discounted cash flow	Weighted average cost of capital	7.88% - 8.36%

(Unit: Million Baht)

	Sensitivity of the input to fair value			
	Increase	Decrease	Increase	Decrease
	0.05%	0.05%	0.10%	0.10%
Fair value	(1.1)	1.1	(2.2)	2.2

31. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Company's debt-to-equity ratio was 0.11:1 (2020: 0.11:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2022.

Attachment 1

Details of Directors, Executives, Company Secretary and those who are directly responsible for accounting supervision as of 31 December 2021

1. Mr. Pipat Paniangvait Age 82 Years Chairman of the Board

Shareholding¹

- Self 14,896,150 Shares (3.31%) / Spouse 63,250 Shares (0.01%)

Education

- Honorary Doctor of Arts Food Science and Technology Rajamangala University of Technology Tawan-ok
- Honorary Doctor of Arts Business Administration North University-Chiang Mai
- Honorary Doctorate Degree Department of Home Economics Development, Faculty of Education Ramkhamhaeng University
- Master's degree in Business Administration Thammasat University
- Bachelor's degree in Education Science Quanzhou Physical Culture institute People's Republic of China
- Stamford Executive Program at Stamford University California, USA.
- Received a scholarship to attend seminars in the course of Top Management Seminar on Japanese Business (TOPS-V) of The Association for Overseas Technical, Japan
- Graduated with National Defence Diploma, Class 2 National Defense College Institute
- Attended training at Havard University, USA.

Work Experience in the Past 5 Years

Listed Company

- | | | |
|------------------------|--|--|
| • 2017-Present | Chairman of the Board | President Bakery Public Company Limited |
| • 2017-Present | Chairman of the Nomination and Remuneration Committee | President Bakery Public Company Limited |
| • October 2017-Present | Chief Executive Officer/
Vice-chairman of the Board | Thai President Foods Public Company Limited (TFMAMA) |
| • October 2017 | Chief Executive Officer/
Vice-chairman of the Board | Thai President Foods Public Company Limited (TF) |
| • 2017-Present | Director | Saha Pathana Inter-Holding Public Company Limited |
| • 2017-August 2018 | Chairman of the Board | Thai O.P.P. Public Company Limited |

Other Non-Listed Companies

- | | | |
|----------------|-----------------------|---|
| • 2017-Present | Director | Thai-Myanmar Success Ventures Company Limited |
| • 2017-Present | Honorary Chairman | Dai-ichi Packaging Company Limited |
| • 2017-Present | Chairman of the Board | Sungu Machinery (Thailand) Company Limited |
| • 2017-Present | Deputy Chairman | Northern Technology Company Limited |

Director/Management Position

Other Listed Company

- | | |
|--|---|
| • Chief Executive Office /
Vice Chairman of the Board | Thai President Foods Public Company Limited |
| • Director | Saha Pathana Inter-Holding Public Company Limited |

Other Non Listed Company

- 4 Places

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Certification Program 2004

Relationships Regarding Family Between Executives

- As the father of director No. 7 and 8

2. Mr. Apichart Thammanomai Age 72 Years Vice Chairman of the Board and Managing Director

Shareholding¹

- Self 1,819,970 Shares (0.40%) / Spouse 1,500,000 Shares (0.33%)

Education

- Master's degree in Political Science Ramkhamhaeng University
- Mini MBA in Management Thammasat University

Work Experience in the Past 5 Years

Listed Company

- | | | |
|------------------------|---|--|
| • 2019-Present | Vice Chairman of the Board and Managing Director | President Bakery Public Company Limited |
| • 2017-Present | Managing Director | President Bakery Public Company Limited |
| • 2017-Present | Director of the Nomination and Remuneration Committee | President Bakery Public Company Limited |
| • October 2017-Present | Director | Thai President Foods Public Company Limited (TFMAMA) |
| • October 2017 | Director | Thai President Foods Public Company Limited (TF) |

Other Non-Listed Companies

- | | | |
|--------------------|-----------------------|--------------------------------------|
| • Jun 2017-Present | Chairman of the Board | President Flour Mill Company Limited |
| • 2017-May 2017 | Director | President Flour Mill Company Limited |
| • 2017-Present | Director | Kerry Flour Mill Company Limited. |

Director/Management Position

Other Listed Company

- Director

Thai President Foods Plc. (TFMAMA)

Other Non Listed Company

- 2 Places

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Certification Program 2005
Director Accreditation Program 2003

Relationships Regarding

Family Between Executives

- As the father of director No. 3

3. Mr. Apisate Thammanomai Age 39 Years Vice Managing Director

Shareholding¹

- 3,344,810 Shares (0.74%)

Education

- Master of Art in Business and Managerial Economics (Part time program)
Faculty of Economics, Chulalongkorn University
- Master of Science in Computer System Engineering (Software Engineering)
Boston University Thesis "Engineering a System-level Instruction-set Simulator"
- Bachelor of Engineering, Program In Computer Engineering (Second Class Honors)
Faculty of Engineering, Kasetsart University Engineering Project Work
"Bayesian based Website Classification system"

Work Experience in the Past 5 Years

Listed Company

- | | | |
|----------------------|---|---|
| • 2017-Present | Vice Managing Director | President Bakery Public Company Limited |
| • April 2018-Present | Corporate Governance and
Risk Management Committee | President Bakery Public Company Limited |
| • 2017 | Director and IT Manager | President Bakery Public Company Limited |

Other Non-Listed Companies

- | | | |
|----------------------|----------|---|
| • March 2018-Present | Director | American Food Company Limited |
| • 2017-Present | Director | President Green House Foods Company Limited |

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- 2 Places

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Accreditation Program 2016

Relationships Regarding

Family Between Executives

- As the son of director No. 2

4. Mr. Vichai Kulsomphob Age 44 Years Director

Shareholding¹

- Self 100,000 Shares (0.02%) / Spouse -None-

Education

- Bachelor's Degree of Business Administration Chulalongkorn University
- Master of Advanced Business Practice University of South Australia
- Master of Marketing (English Program), Thammasat University
- Master of International Business (Exchange Program)
- Norwegian School of Economics and Business Administration, Norway
- Business and Industrial Development Program (Class 1), Institute of Business and Industrial Development
- OIC Advanced Insurance Institute (Class 1), Office of Insurance Commission
- Executive Leadership Program (Class 2) Wharton Business School, University of Pennsylvania, USA & NIDA, Thailand
- Real Estate Management Program for Executive (RE-CU26) Chulalongkorn University
- Investment Planner Certification, Chulalongkorn University
- Investment Planner Certification, Association of Investment Management Companies
- Bhumpalung Phandin for Top Executive (Class 4) Chulalongkorn University
- Strategic CFO in Capital Market Program (Class 4) Thailand Securities Institute, The Stock Exchange of Thailand

Work Experience in the Past 5 Years

Listed Company

• April 2018-Present	Director	President Bakery Public Company Limited
• 2018-Present	President	Saha Pathana Inter-Holding Public Company Limited
• 2017-April 2018	Executive Vice President	
• December 2021-Present	Director	Sahacogen (Chonburi) Public Company Limited
• Jan 2021-December 2021	The Chairman of Executive Committee	
• April 2018-December 2020	Director	
• 2017-Present	Director	Samsung Life Insurance (Thailand) Public Company Limited
• 2017-April 2018	Director	Singer Thailand Public Company Limited

Other Non-Listed Companies

• December 2018-Present	Director	Saha Komehyo Company Limited
• 2018-Present	Managing Director	First United Industry Company Limited
• 2018-Present	Managing Director	Sahapat Property Company Limited
• March 2018-Present	Director	American Food Company Limited
• 2018-Present	Director	Sinparadon Company Limited
• 2017-Present	Managing Director	BSC So In Company Limited
• 2017-Present	Managing Director	Sahapat Real Estate Company Limited
• 2017-Present	Director	UCC Ueshima Coffee (Thailand) Company Limited
• 2017-Present	Director	Thai Secom Security Company Limited
• 2017-Present	Director	Arusu Myanmar Company Limited
• 2017-Present	Director	Seino Saha Logistics Company Limited

4. Mr. Vichai Kulsomphob Age 44 Years (Continued) Director

Work Experience in the Past 5 Years

Other Non-Listed Companies

• 2017-Present	Director	Mobile Logistics Company Limited
• 2017-Present	Director	Tiger MK Logistics (Myanmar) Company Limited
• 2017-Present	Director	Carbon Magic (Thailand) Company Limited
• 2017-Present	Director	Canchana International Co., Ltd. (Kingdom of Cambodia)
• 2017-Present	Managing Director/Chairman	Green Life Management Company Limited
• 2017-Present	Director	Saha Tokyu Corporation Company Limited
• 2017-Present	Director	Saha Sewa Company Limited
• 2017-Present	Director	Thai Samsung Electronics Company Limited
• 2017-Present	Director	SSI Holding Company Limited
• 2017-Present	Director	Park Capital Holding Company Limited
• 2017-Present	Director	Thai Sun Foods Company Limited
• 2017-Present	Director	I.D.F Company Limited
• 2017-Present	Managing Director	Boon Capital Holding Company Limited
• 2017-Present	Managing Director	Panland Company Limited
• April 2018-Present	Chairman of the Board	Pitakkit Company Limited
• April 2018-Present	Chairman of the Board	Sriracha Transport Company Limited
• April 2018-Present	Chairman of the Board	Eastern Thai Consulting 1992 Company Limited
• April 2018-Present	Chairman of the Board	Best Factory Outlet Company Limited
• 2018-Present	Director	Treasure Hill Company Limited
• April 2018-Present	Vice-chairman of the Board	Sriracha Aviation Company Limited
• April 2018-Present	Chairman of the Board	PTK Multi Service Company Limited
• April 2018-Present	Vice-chairman of the Board	S.T. (Thailand) Company Limited
• April 2018-Present	Director	Pitakkij Security Guard Company Limited
• April 2018-Present	Director	Asahi Kasei Spunbond (Thailand) Company Limited
• 2018-Present	Director	United Asia Pacific Company Limited
• August 2018-Present	Chairman of the Board	Thai Hoover Industry Company Limited
• August 2018-Present	Chairman of the Board	Impact Solar Company Limited
• June 2019-Present	Director	Mae Sot Sakae Lace Company Limited
• April 2019-Present	Director	Inter Laboratories Company Limited
• April 2019-Present	Director	Sahachol Food Supplies Company Limited
• April 2018-Present	Director	Thai Takeda Lace Company Limited
• March 2018-Present	Director	Kewpie (Thailand) Company Limited
• August 2019-Present	Director	SLV Retail Company Limited
• 2019-Present	Managing Director	Saha Capital Company Limited
• November 2019-Present	Director	Brain Wake Company Limited
• January 2020-Present	Director	Donki Thonglor Company Limited
• 2020-Present	Director	Thana City Ventures Company Limited
• 2021-Present	Director	Oxygen Asset Company Limited
• 2021-Present	Director	Humanica EEC Company Limited
• 2021-Present	Director	K.T.Y. Industry Company Limited
• 2021-Present	Director	Thai Otsuka Pharmaceutical Company Limited
• 2021-Present	Director	Thai Arai Company Limited
• 2021-Present	Director	XET Company Limited
• 2021-Present	Director	Molten (Thailand) Company Limited
• 2021-Present	Vice-chairman of the Board	Molten Asia Polymer Products Company Limited

4. Mr. Vichai Kulsomphob Age 44 Years (Continued) Director

Director/Management Position

Other Listed Company

- Managing Director
- Chairman of Executive Committee
- Director

Saha Patthana Inter-Holding Public Company Limited
Sahacogen (Chonburi) Public Company Limited
Thai Samsung Life Insurance (Thailand)
Public Company Limited

Other Non Listed Company

- 56 Places

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Certification Program (DCP) Class 61/2005
Company Secretary Program (CSP) Class 18/2006

Relationships Regarding Family Between Executives

- None

5. Ms. Petcharat Anantawichai Age 53 Years
Director and Senior Management Accounting Dept.
and Finance Dept. Manager, Company Secretary, Chief Financial Officer

Shareholding¹

- Self 50,000 Shares (0.01%) / Spouse -None-

Education

- Bachelor's Degree in Accounting Thammasat University

Work Experience in the Past 5 Years

Listed Company

- | | | |
|----------------|---|---|
| • 2017-Present | Director and Senior Management Accounting Dept. and Finance Dept. Manager | President Bakery Public Company Limited |
| • 2017-Present | Corporate Governance and Risk Management Committee | President Bakery Public Company Limited |
| • 2017-Present | Company secretary | President Bakery Public Company Limited |

Other Non-Listed Companies

- | | | |
|----------------|----------|---|
| • 2017-Present | Director | President Green House Foods Company Limited |
|----------------|----------|---|

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- 1 Place

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD) Director Certification Program 2003

Continuing Profession Development (CPD)

- CFO Refresher Course, Class 2/2021 Topic "Preparing for Economic Factors, Financial and Accounting Issues Affecting Listed Companies"
- Auditing of accounting and financial transactions to prevent and manage corruption in the organization
- Update Tax Year 2021

Relationships Regarding

Family Between Executives

- None

6. Ms. Panida Prayottaweekij Age 55 Years Director and Senior Production Manager

Shareholding¹

- 25,000 Shares (0.01%)

Education

- Master of Science in Food Processing and Technology The Ohio State University, USA
- Bachelor of Science in Agro-Industrial Product Development, Kasetsart University

Work Experience in the Past 5 Years

Listed Company

- | | | |
|----------------------|---|---|
| • 2017-Present | Director and Senior Production Manager | President Bakery Public Company Limited |
| • April 2018-Present | Corporate Governance and
Risk Management Committee | President Bakery Public Company Limited |

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- None

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Accreditation Program 2016

Relationships Regarding

Family Between Executives

- None

7. Dr. Pojjanee Paniangvait Age 58 Years Director

Shareholding¹

- 1,234,480 Shares (0.27%)

Education

- SASIN Graduate Institute of Business Administration, Bangkok Master of Management
- University Of California, Davis Ph.D. in Agricultural and Environmental Chemistry with emphasis on Food Sciences
- University Of California, Davis Master of Sciences in Food Sciences
- Chulalongkorn University, Bangkok B.S. in Biochemistry

Work Experience in the Past 5 Years

Listed Company

- | | | |
|------------------------|--|--|
| • 2017-Present | Director | President Bakery Public Company Limited |
| • June 2018-Present | Corporate Governance and Risk Management Committee | President Bakery Public Company Limited |
| • October 2017-Present | Vice President | Thai President Foods Public Company Limited (TFMAMA) |
| • October 2017 | Vice President | Thai President Foods Public Company Limited (TF) |

Other Non-Listed Companies

- | | | |
|----------------|-------------------|---|
| • 2018-Present | Director | American Foods Company Limited |
| • 2017-Present | Director | Thai Anbao Paper Products Company Limited |
| • 2017-Present | Director | Siam Sincere Company Limited |
| • 2017-Present | Managing Director | President Flour Mills Company Limited |
| • 2017-Present | Director | President Inter Foods Company Limited |
| • 2017-Present | Director | Kerry Flour Mills Company Limited |
| • 2017-Present | Director | Jim's Group Company Limited |
| • 2017-Present | Director | Dai-ichi packaging Company Limited |

Director/Management Position

- | | | |
|-----------------------------|------------------|--|
| Other Listed Company | • Vice President | Thai President Foods Public Company Limited (TFMAMA) |
|-----------------------------|------------------|--|

- | | |
|---------------------------------|------------|
| Other Non Listed Company | • 8 Places |
|---------------------------------|------------|

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD) Director Accreditation Program 2008
- How to Develop a Risk Management Plan (HRP)

Relationships Regarding Family Between Executives

- As the daughter of director No. 1 and the sister of director No. 8

8. Mr. Pun Paniangvait Age 46 Years Director

Shareholding¹

- Self 276,870 Shares (0.06%) / Spouse -None-

Education

- Master of Law (LL.M) in Business Law (International Program), Chulalongkorn University

Work Experience in the Past 5 Years

Listed Company

- | | | |
|------------------------|---|---|
| • 2017-Present | Director | President Bakery Public Company Limited |
| • October 2017-Present | Investment Committee/
Presidents Office, Manager | Thai President Foods Public Company Limited
(TFMAMA) |

Other Non-Listed Companies

- | | | |
|----------------|----------|---|
| • 2019-present | Director | Cheam Body Company Limited |
| • 2018-Present | Director | President D Venture Company Limited |
| • 2017-Present | Director | Thai Instant Products Company Limited |
| • 2017-Present | Director | Thai Anbao Paper Products Company Limited |
| • 2017-Present | Director | Dai-ichi packaging Company Limited |
| • 2017-Present | Director | Sam Chai Sunshine Company Limited |
| • 2017-Present | Director | President Inter Foods Company Limited |
| • Present | Director | AEP Square Sport Management Company Limited |
| • Present | Director | Sam Heng Company Limited |

Director/Management Position

Other Listed Company

- | | |
|---|---|
| • Investment Committee/
Presidents Office, Manager | Thai President Foods Public Company Limited
(TFMAMA) |
|---|---|

Other Non Listed Company

- 9 Places

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Accreditation Program Class 110/2014

Relationships Regarding Family Between Executives

- As the son of director No. 1 and as the brother of director No. 7

9. Ms. Saipin Kittipornpimol Age 62 Years Director and Assistant Managing Director

Shareholding¹

- None

Education

- B.SC (Food Technology & Biochemical Technology) Chulalongkorn University
- MS (Computer Science) National Institute of Development Administration (NIDA)

Training Course

- Executive Management Certificate (INSEAD)
- Leadership Training for Executives (JICA)
- Business Process Re-engineering
- Operational Risk Management

Work Experience in the Past 5 Years

Listed Company

- | | | |
|---------------------|--|---|
| • June 2020-present | Director and Assistant Managing Director | President Bakery Public Company Limited |
| • June 2020-present | Corporate Governance and Risk Management Committee | President Bakery Public Company Limited |
| • 2017-June 2020 | Assistant Managing Director | President Bakery Public Company Limited |

Other Non-Listed Companies

- | | | |
|----------------|----------|---|
| • 2020-present | Director | President Green House Foods Company Limited |
|----------------|----------|---|

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- 1 Place

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Certification Program (DCP)

Relationships Regarding Family Between Executives

- None

10. Ms. Ubolluck Luevoravinyu Age 62 Years Director and Assistant Managing Director

Shareholding¹

- None

Education

- B.SC (Chemical Engineering) Chulalongkorn University
- MS (Computer Science) National Institute of Development Administration (NIDA)

Training Course

- Financial Executive Development Program (FINEX)
- Information Technology Strategic & Planning
- Business Process Re-engineering
- Enterprise Architecture Management
- Operational Risk Management
- Project Management
- Leadership Development Program

Work Experience in the Past 5 Years

Listed Company

- | | | |
|----------------------|---|---|
| • April 2020-present | Director and Assistant Managing Director | President Bakery Public Company Limited |
| • June 2020-present | Corporate Governance and
Risk Management Committee | President Bakery Public Company Limited |
| • 2017-April 2020 | Assistant Managing Director | President Bakery Public Company Limited |

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- None

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Accreditation Program 2020

Relationships Regarding

Family Between Executives

- None

11. Prof. Dr. Teravuti Boonyasopon Age 73 Years Chairman of Independent Director and Chairman of Audit Committee

Shareholding¹

- None

Education

- Ph.D. in Human Resource Development (HRD) Oklahoma State University, Stillwater, Oklahoma, USA (a scholarship awarded by the German government for 3 years 2 months)
- Master's degree in Vocational and Technical Education Management Southwest Texas State University, San Marcos, Texas, USA
- Bachelor's degree in Vocational Education (B.S. in Occupational Education) Southwest Texas State University, San Marcos, Texas, USA
- Bachelor's degree (B.S. in Advanced Technology) American Technological University, Killeen, Texas, USA
Major : Refrigeration and Air Conditioning Technology (Air Conditioning and Refrigeration Technology)
Minor : Industrial Management
- Diploma of National Defense College, 1997 Wor Por Aor. Class 40 (Wor Por. Ror. 4010)

Work Experience in the Past 5 Years

Listed Company

- | | | |
|----------------------|---|---|
| • April 2018-Present | Chairman of Independent Directors and Chairman of Audit Committee | President Bakery Public Company Limited |
| • 2017-April 2018 | Independent Director and Auditor | President Bakery Public Company Limited |

Other Non-Listed Companies

- | | | |
|-------------------------------------|--|---|
| • 10 December 2017-Present | President of the University Council | King Mongkut's University of Technology North Bangkok |
| • 2012-Present | Qualified Director of Academic Ranking Committee | Rajamangala University of Technology Thanyaburi |
| • 15 November 2016-14 November 2017 | University Council Advisor | King Mongkut's University of Technology North Bangkok |
| • 19 March 2017-Present | Qualified Director of the University's Audit Committee | University of Phayao |
| • 15 August 2018-Present | Arbitration | Thai Arbitration Institute, the Court of Justice |

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- None

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD) Director Accreditation Program 2016

Relationships Regarding Family Between Executives

- None

12. Mr. Wattanachai Chotechutrakul Age 72 Years Independent Director and Audit Committee

Shareholding¹

- None

Education

- Bachelor Degree or Equivalent Bachelor of Laws Chulalongkorn University
- Bachelor Degree of Equivalent Thai Barrister Institute of Legal Education Thai Bar Association
- Certificate in National Defence Training National Defence College of Thailand

Work Experience in the Past 5 Years

Listed Company

- | | | |
|---------------------|---|---|
| • June 2020-present | Independent Director and Audit Committee | President Bakery Public Company Limited |
| • June 2020-present | Director of the Nomination and Remuneration Committee | President Bakery Public Company Limited |

Other Non-Listed Companies

- | | | |
|-------------|---|-------------------------------|
| • Present | Advisor | Bara Windsor Company Limited |
| • 2013 | Senior Justice of the Court of Appeal, Region 1 | The Court of Appeal, Region 1 |
| • 2009-2012 | Senior Judge of the Supreme Court | The Supreme court |
| • 2007-2008 | Vice-President of the Supreme Court | The Supreme court |
| • 2003-2006 | Presiding Justice of the Supreme Court | The Supreme court |
| • 1999-2002 | Justice of the Supreme Court | The Supreme court |
| • 1996-1998 | Director General of the Legal Execution Department | Legal Execution Department |
| • 1993-1995 | Secretary of the Supreme Court | The Supreme court |
| • 1992 | Justice of the Court of Appeal | The Court of Appeal |
| • 1990-1991 | Presiding Judge | The Criminal Court |
| • 1988-1989 | Chief Judge of Ministry For Public Affairs | The Supreme court |
| • 1987 | Chief Judge of Saraburi Provincial Court | Provincial court |
| • 1986 | Chief Justice of Prachuap Khiri Khan Provincial Court | Provincial court |
| • 1985 | Chief Justice of the Phang Nga Provincial Court | Provincial court |
| • 1978-1984 | Justice of Ministry/Chief Justice of the Ministry | Ministry Court |
| • 1976-1977 | Justice of Khon Kaen District Court/
Justice of the Khon Kaen Provincial Court | Provincial court |
| • 1974-1975 | Judge-Tranee/Judge Ministry | Ministry Court |

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- 1 Place

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Accreditation Program 2020

Relationships Regarding

Family Between Executives

- None

13. Prof. Piyamirt Sritara Age 63 Years Independent Director

Shareholding¹

- None

Education

- B.Sc. (Medical Science), Mahidol University
- M.D., Faculty of Medicine, Ramathibodi Hospital Mahidol University
- Thai Board of Internal Medicine, FRCP (Thailand)
- Diploma in Cardiology, Royal Postgraduate Medical School, Hammersmith Hospital, University of London
- Certificate and Diploma in Interactive Video & Computer Technology, Birkbeck College, University of London
- Thai Board of Cardiovascular Medicine, FRCP (Thailand)
- The Programme for Senior Executive on Justice Administration No.12
- Fellow of American College of Physician
- Fellow of Royal College of Physician (LONDON)
- The Programme Rule of Law for Democracy No. 6, College of the Constitution Court

Work Experience in the Past 5 Years

Listed Company

- | | | |
|---------------------|---|---|
| • June 2020-present | Independent Directors | President Bakery Public Company Limited |
| • 2017-Present | Independent Directors | Pruksa Holding Public Company Limited |
| • 2018-2021 | Independent Director and
Chairman of Audit Committee | Inter Pharma Public Company Limited |

Other Non-Listed Companies

- | | | |
|-------------|---|---|
| • Present | Dean | Faculty of Medicine Ramathibodi Hospital,
Mahidol University |
| • 1999-2021 | Medical Examination Committee | Branch of Cardiology, Medical Council of Thailand |
| • 2011-2017 | Head of Cardiovascular Research Cluster
and metabolism | Mahidol University |
| • 2012-2017 | Academic Chair of the Royal College | Physician of Thailand |
| • 2019-2021 | The Chairman of Executive Committee | Thailand Center of Excellence for Life Sciences |

Director/Management Position

Other Listed Company

- | | |
|---|---------------------------------------|
| • Independent Directors | Pruksa Holding Public Company Limited |
| • Independent Director and
Chairman of Audit Committee | Inter Pharma Public Company Limited |

Other Non Listed Company

- None

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Directors Certification Program DCP 244/2017
- IT Governance-Cyber Resilience (ITG 2020)

Relationships Regarding Family Between Executives

- None

14. Mr. Thanapich Mulapruk Age 73 Years Independent Director and Audit Committee

Shareholding¹

- Self 135,000 Shares (0.03%) / Spouse -None-

Education

- Bachelor of Laws, Thammasat University
- Thai Barrister, Institute of Legal Education Thai Bar Association
- Master Of Laws, Chulalongkorn University
- National Defence College of Thailand (#41)
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (#11)
- Capital Market Academy (CMA.), Thailand (#7)

Work Experience in the Past 5 Years

Listed Company

- | | | |
|----------------------|--|---|
| • April 2020-present | Independent Director and Audit Committee | President Bakery Public Company Limited |
| • June 2020-present | Chairman of the Corporate Governance and Risk Management Committee | President Bakery Public Company Limited |

Other Non-Listed Companies

- | | | |
|----------------|--|---|
| • 2015-Present | Expert Committee | King Prajadhipok Institute |
| • 2020-present | Vice President of the University Council | Nakhon Pathom Rajabhat University |
| • 2013-Present | Director | Police General Foundation Phao Sarasin |
| • 2020-present | Honorary Director | Thailand Federation of Accounting Professions |
| • 2021-Present | Honorary Director | Public Prosecutor Commission |
| • 2017-Present | Honorary Director | Tax Audit Committee |

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- None

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD) Directors Certification Program
- Audit Committee and Continuing Development Program
- Monitoring Fraud Risk Management
- Monitoring the System of Internal Control and Risk Management
- Monitoring the Quality of Financial Reporting
- Monitoring the Internal Audit Function
- IT Governance for Directors

Relationships Regarding

Family Between Executives

- None

15. Mrs. Aim-On Pathumarak Age 72 Years Independent Director and Audit Committee

Shareholding^{/1}

- None

Education

- Master of Arts in Public Administration, Thammasat University
- Bachelor of Business Administration, Thammasat University

Work Experience in the Past 5 Years

Listed Company

- | | | |
|----------------------|--|---|
| • April 2018-Present | Independent Director and Audit Committee | President Bakery Public Company Limited |
| • 2017-April 2018 | Independent Director | President Bakery Public Company Limited |
| • 2017-Present | Corporate Governance and Risk Management Committee | President Bakery Public Company Limited |

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- None

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Accreditation Program 2016

Relationships Regarding

- None

Family Between Executives

Remark : All directors are authorized to sign on behalf of the Company where two directors must co-sign and affix the Company's seal. Excluding independent directors.

^{/1} Including spouse and minor children

Mrs. Malee Tangjaisanong Age 61 Years Director and Assistant Managing Director

Shareholding¹

- 483,220 Shares (0.11%)

Education

- Master's Degree in Business Administration for Smart Entrepreneur, Ramkhamhaeng University
- Bachelor Degree in Economics Ramkhamhaeng University

Work Experience in the Past 5 Years

Listed Company

- | | | |
|---------------------|--|--|
| • June 2020-Present | Director and Assistant Managing Director | President Bakery Public Company Limited. |
| • 2017-June 2020 | Executive Production Director | President Bakery Public Company Limited |

Other Non-Listed Companies

- | | | |
|---------------|----------|---|
| • 2017-Preset | Director | President Green House Foods Company Limited |
|---------------|----------|---|

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- 1 Place

Training of Roles and Responsibilities of the Director

- Training from the Thai Institute of Directors Association (IOD)
Director Accreditation Program 2003

Relationships Regarding

Family Between Executives

- None

Details about The Company's Accounting Supervisor

Ms. Jirawan Komolcharoensiri Age 47 Years
Management Accounting Department Manager

Shareholding¹

- None

Education

- Master's degree, Master of Economics Ramkhamhaeng University
- Bachelor's degree in Business Administration, Accounting
Rajamangala University of Technology Thanyaburi

Training Course

- Calculation of employee benefits with principles of Actuarial Science 2021
- Auditing of accounting and financial transactions to prevent and manage corporate corruption
- Update tax year 2021

Work Experience in the Past 5 Years

Listed Company

- | | | |
|----------------|--|---|
| • 2017-Present | Management Accounting Department Manager | President Bakery Public Company Limited |
| • 2017 | Management Accounting Section Manager | President Bakery Public Company Limited |

Director/Management Position

Other Listed Company

- None

Other Non Listed Company

- None

Relationships Regarding

Family Between Executives

- None

Attachment 2

Details of Directors and Subsidiaries

-None-

Attachment 3

Details about The Person Holding The Internal Audit Position

Mr. Prachaya Sukkerd
Assistant Department Head in Internal Audit / Audit Committee Secretary /
Independent Committee Secretary (Have knowledge and expertise in accounting)

Responsibilities

- Provide consultation and inspection as well as assess the internal control system. by reporting directly to the Audit Committee, director and deputy director

Education

- Bachelor's degree, Faculty of Management, Accounting, Mae Fah Luang University

Related Work Experience and Training

- | | | |
|----------------------------|--|---|
| • May 2019-Present | Assistant Department Head Internal Audit
Audit Committee Secretary
Independent Committee Secretary | President Bakery Public Company Limited |
| • July 2017-September 2018 | Assistant External Auditor | Baker Tilly Corporate Company
Advisory Services (Thailand) Co., Ltd. |

Attachment 4

Assets Used in Business and Details of Property Appraisal

-None-

Attachment 5

Good Corporate Governance Principles

The Board of Directors prioritizes compliance with good corporate governance principles, which are regarded as a significant foundation for sustainable business development and value creation. Furthermore, to instill confidence in investors for operating businesses that are competitive and have good performance by considering long-term effects, ethically operating businesses, respecting rights and being accountable to shareholders and stakeholders, being beneficial to society, developing or reducing the negative impact on the environment, and being adaptable to changing factors.

Therefore, the Board of Directors has prepared a manual "Principles of Good Corporate Governance, Revised Edition No. 2", in accordance with the principles of good corporate governance for listed companies in the year of 2017 (Corporate Governance Code for Listed Companies 2017) for the Company's directors, executives and employees to acknowledge and adhere to as a guideline for their work, consisting of:

- Good Corporate Governance Policy
- Principles of good corporate governance consist of 8 principles of practice.
 - Business operation ethics
 - Code of Conduct for Company directors, executives and employees

Good Corporate Governance Policy

The Board of Directors believes that having a good, transparent, and verifiable management system, as well as a balance of power and a sufficient and appropriate internal control system, as well as respecting the rights and equality of shareholders and being accountable to stakeholders, will be an important factor in strengthening the organization's long-term immunity and creating balance as well as sustainable growth.

Therefore, Board of Directors has established the Corporate Governance Policy for the Company's directors, executives and all employees to adhere to as guidelines for their operations as follows:

1. Company directors, executives, and all employees are determined to apply the principles of corporate governance, ethics in business operations, and morals of the Company's directors, executives, and employees into the implementation of the Company's operations.

2. Company directors, executives and all employees must perform their duties with responsibility, caution, honesty and integrity in compliance with the law, articles of Association and related announcements.

3. Carry out the management structure of the Company, determined the authority and duties and the responsibilities of each board of Board of Directors and executives transparently.

4. Implement a suitable level of internal control and risk management, and having an accounting system and financial reports that are accurate and reliable.

5. Ensuring that important information is disclosed sufficiently, reliably and in a timely manner as long as it does not affect the legitimate interests of the Company.

6. Recognize and respect the right of ownership of shareholders and treat shareholders equally.

7. Operate with accountability to shareholders, Stakeholders, communities, society and environment.

8. Commitment to excellence in business operations by adhering to create satisfaction for customers by listening and self-rated to increase management potential and always create the best.

9. Cultivate morals and ethics, create good conscience, treat employees fairly as well as strive to develop and raising employee competency.

10. Anti-Corruption, not infringing on intellectual property, respect the law and human rights

11. Manage conflicts of interest with carefulness and reasonableness by prioritize the benefit of the Company.

Principles of Good Corporate Governance Consist of 8 Principles of Practice.

Code of Conduct 1

Realize the roles and responsibilities of the Board of Directors as a leader in an organization that creates value for the business sustainably

The Board of Directors places importance on recognizing their roles and responsibilities as corporate leaders to maintain the interests of shareholders and stakeholders by defining strategies and business directions both in the present and the long term, and determining the audit and supervision process for the Company's business to operate transparently and creating value in the business for the organization sustainable.

Code of Conduct 1.1

The Board of Directors has set the vision and mission of the Company for the Company's directors, executives and employees have the same objectives toward one direction by providing a review as appropriate.

Practice Guideline

1.1.1 Determine vision, mission, objectives, goals, strategies, ,operating policies and the Company's budget by providing and allowing independent opinions to jointly determine the direction of the organization through the workshop between the Board of Directors and chief executives every year.

1.1.2 The objectives and targets are reviewed annually on an annual basis to monitor the management to operate in compliance with the work plan to be in the direction and strategy that the organization established.

1.1.3 Arrange for independent discussions and opinions of the management to set the organizational direction framework and prepare to accommodate the fluctuating economic situations.

1.1.4 Provide recommendations, opinions, and Company management guidelines for clear and significant resource allocation to achieve the Company's objectives and goals.

1.1.5 Announce policies, goals, and operational directions to employees at all levels throughout the organization for acknowledgment.

- Executives : Through meetings
- Employees : Through meetings/Public relations

1.1.6 Monitoring and evaluation are carried out by requiring the management division to report performance results to the executive board at least once a quarter.

Code of Conduct 1.2

The Board of Directors is responsible for creating and driving corporate culture in all aspects, promoting and supporting the Company's good corporate governance, being competitive and having good operating results by considering long-term impacts, being ethical, respecting rights, and being responsible to shareholders and stakeholders, being beneficial to society, developing or minimize the negative impact on the environment, and adapting to changing conditions to create sustainable value for the business..

Practice Guideline

1.2.1 Determine the success of the Board of Directors' business operations by focusing on ethics and the impact on society and the environment in addition to financial results by considering and approving the determination of management policies in environmental and social responsibility aspects.

1.2.2 The Board of Directors plays an essential role in developing and driving an ethical corporate culture, acting as a role model and a leader in implementing and adhering to good corporate governance guidelines.

1.2.3 The Board of Directors has established policies for directors, executives, and employees that demonstrate the principles and guidelines of operations in writing by preparing and considering approval of the good corporate governance policy, business morals, and ethics for directors, executives, and employees.

1.2.4 The Board of Directors is in charge of communicating with the Company's directors, executives, and all employees to understand. There are also sufficient mechanisms in place to facilitate the implementation of the good corporate governance policy, including mechanisms for monitoring performance and reviewing the policy and regular practice.

1.2.5 Adaptation in the face of change. The Board of Directors continuously monitors and follows the news, particularly the impact of economic conditions and other crises that may affect the Company's operations, in order to define strategies and outcomes from business operations in accordance with acceptable risk levels. Follow up on encourage risk management to be a part of the Company's culture and manage risks that may affect the achievement of the Company's objectives and strategies By appointing the Governance and Risk Management Committee to oversee the Company's risk management.

Code of Conduct 1.3

The Board of Directors is responsible for ensuring that directors, executives, and employees perform their duties responsibly, cautiously and honestly toward the Company, and for supervising the operation in accordance with the law, articles of association, related announcements, and shareholder resolutions.

Practice Guideline

1.3.1 Directors and executives perform their duties with responsibility, caution, and honesty by considering in accordance with relating the laws, rules, and regulations.

1.3.2 The Board of Directors ensures that the Company has adequate systems or mechanisms in place to ensure that its operations are in accordance with the law, regulations, shareholder resolutions, and policies or guidelines that have been established, including a process for approving important operations that are in accordance with the law.

Code of Conduct 1.4

The Board of Directors understands the scope of its powers, duties, and responsibilities, which include clearly defining duties and responsibilities for the Managing Director and the Management Department, as well as monitoring and ensuring that the Managing Director and the Management Department perform their duties as assigned.

Practice Guideline

1.4.1 The Board of Directors appoints sub-committees to assist inquire important work to propose to the Board of Directors.

1.4.2 The Board of Directors prepares a charter of the Board of Directors and sub-committees by specifying the roles, duties, and responsibilities of the Board of Directors for reference in performing the duties of all directors as appropriate.

1.4.3 The Board of Directors has assigned duties and responsibilities to the management and has ordered to monitor the assigned duties.

1) Report on the performance and operational results as approved.

2) Powers, duties and responsibilities of the Managing Director.

3) Manual performing authority or approval regulations by providing a review as appropriate.

Code of Conduct 2

Determine the business's main objectives and goals in order to ensure its long-term sustainability.

Code of Conduct 2.1

The Board of Directors determines or supervises the objectives and main objectives of the business for sustainability which are objectives and goals that are consistent with creating value for the Company, customers, stakeholders and society as a whole.

Practice Guideline

2.1.1 The Board of Directors is responsible for ensuring that there are clear goals and objectives that can be used as the main principle in the formulation of a business model and communicating to everyone in the organization to drive in the same direction by defining the vision, mission, and values of the Company that reflect good corporate governance.

2.1.2 The Board of Directors has established a business model that can creating value in the business, stakeholders and society go hand in hand by considering:

- 1) Environment and changing factors, including the appropriate application of innovation and technology.
- 2) The demands of customers and stakeholders
- 3) Competitiveness, expertise, business opportunity/risk.

2.1.3 The Board of Directors ensures communication and raises the awareness of the Company's objectives and main goals in the consciousness of personnel at all levels until it becomes an organizational culture.

Code of Conduct 2.2

The Board of Directors ensures that objectives, goals, and strategies in the medium term and/or the Company's annual lead to the achievement of objectives and main goals by using innovation and technology appropriately and safely.

Practice Guideline

2.2.1 The Board of Directors supervises the preparation of annual strategies and plans in line with the Company's objectives and main goals by taking into account the Company's environmental factors as well as acceptable opportunities and risks, and encourages the regular preparation or review of objectives, goals, and strategies.

2.2.2 The Board of Directors responsible and determines the annual strategy and work plan, as well as analyzes the environment for various risk factors that may affect stakeholders throughout the supply chain, including factors that may interfere with the achievement of the Company's main goals.

- 1) Clearly identify methods, processes, and channels of participation or communication between stakeholders and the Company so that the Company can access information or meet the needs of each stakeholder group as precisely as possible.
- 2) Identify the Company's internal and external stakeholders.

- 3) Identify the relevant Identify stakeholder expectations in order to analyze the impact on the Company and stakeholders by prioritizing performance to be carried out effectively.

2.2.3 The Board of Directors oversees the promotion of innovation creation and the use of innovation and technology to create competitiveness and meet the needs of stakeholders on a socially and environmentally responsible basis.

2.2.4 The Board of Directors sets goals by taking into account the suitability of the business environment and the potential of the Company, both monetary and non-monetary, in accordance with the principles of good corporate governance.

2.2.5 The Board of Directors supervises the communication of objectives, goals and annual work plans throughout the organization.

2.2.6 The Board of Directors supervises the allocation of resources and controls the operation appropriately and follows up on the implementation of the annual work plan.

Code of Conduct 3

Build an effective Board of Directors

Code of Conduct 3.1

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

Practice Guideline

3.1.1 The Board of Directors defines the structure of the Board of Directors, which consists of directors with various qualifications, including skills, experience, and special abilities that are useful to the Company, regardless of gender, and who have qualifications as required by law, as well as having at least 1 non-executive director with experience in the business or main industry in which the Company operates.

3.1.2 The Board of Directors considers the appropriate number of directors capable of performing duties effectively, which is at least 5 people, depending on the size, type, and complexity of the business.

3.1.3 The Board of Directors has a power to balance that is reflected in the ratio of executive directors to non-executive directors. The majority of them are non-executive directors who can express their views on management's work independently. They have the number and qualifications of independent directors in accordance with the rules of the Securities and Exchange Commission and the Thai Stock Exchange, as well as to ensure that independent directors work effectively with all members of the Board of Directors and express their opinions independently.

3.1.4 The Board of Directors discloses policies for determining the composition of the Board of Directors with diversity, as well as directors' information such as age, gender, educational background, experience, percentage of shareholding, number of years holding the position of the Company's director, and holding a position as a Company director in other listed companies in the annual report and on the Company's website.

Code of Conduct 3.2

The Board of Directors appoints an appropriate person to serve as Chairman of the Board and ensures that the Board of Directors' composition and operation facilitates independent decision-making.

Practice Guideline

3.2.1 The Board of Directors does not specify that the Chairman of the Board of Directors of the Company must be an independent director.

3.2.2 The Chairman of the Board of the Company and the Managing Director have clearly separate duties and responsibilities so that no one has unlimited power.

- 1) The Chairman of the Board of Directors of the Company plays a leading role in the Board of Directors with at least the duty to cover the following matters:
 - (1) Presiding over the shareholders' meeting.
 - (2) Presiding over the chairman of the board of directors meeting.
 - (3) Being a casting vote in the case of equal votes

- (4) Being the person calling the Board of Directors meeting and setting the agenda for the Board of Directors meeting by discussing with the Managing Director and having measures to take care of important matters included in the meeting agendas.
- (5) Supervise, monitor, and ensure that the performance of the duties of the Board of Directors is carried out effectively.
- (6) Ensure that all directors are involved in promoting corporate culture with ethics and good corporate governance.
- (7) Allocate enough time for the management to propose and enough for the Company's directors to discuss important issues carefully. Also encourage the Company's directors to use prudent discretion freely in expressing opinions.
- (8) Strengthen good relationships between executive directors and non-executive directors and between the Board of Directors and the management.

- 2) The Managing Director has the powers, duties and responsibilities as specified by the Board of Directors.

3.2.3 If the Chairman of the Board of Directors and the Managing Director are the same person, the Company has the following precautions in place:

- 1) When the Chairman of the Board of Directors or the Managing Director has a stake, they must vacate the meeting room and forfeit their ability to vote on such agenda item.
- 2) The Vice Chairman of the Board of Directors acts as the chairman of the meeting instead. If there is no Vice Chairman of the Board of Directors or if they are unable to perform duties, elect one of the Company's directors to act as the chairman of the meeting for that agenda.

3.2.4 The Board of Directors does not stipulate the duration of an independent director's tenure. If an independent director serves for more than 9 years from the date of their initial appointment as an independent director, the Board of Directors will consider this a necessity.

3.2.5 The Board of Directors establishes Sub-committees to examine specific topics, investigate the operation, and make recommendations to the Board of Directors.

3.2.6 The Board of Directors ensures that positions are disclosed, as are the Board of Directors' and Sub-committees' duties, the number of meetings and the number of times each director attended during the preceding year, as well as reports on the Sub-committees' performance.

Code of Conduct 3.3

The Board of Directors requires that the process for nominating and selecting the Company's directors be transparent and clear in order to ensure that the Board of Directors is comprised of individuals who meet the defined criteria.

Practice Guideline

3.3.1 The Board of Directors appoints the Nomination Committee.

3.3.2 The Nomination Committee holds a meeting to consider the criteria and strategies for recruiting qualified directors with the necessary knowledge and experience.

3.3.3 The Board of Directors offers shareholders with the opportunity to propose a candidate for election as a director of the Company.

Code of Conduct 3.4

The Board of Directors believes that the structure and remuneration rates are appropriate for their respective responsibilities and incentivizes the Board of Directors to lead the organization toward its short- and long-term goals by proposing a structure and rate of remuneration for the Company's directors to be approved by shareholders.

Practice Guideline

3.4.1 The Board of Directors appoints the Remuneration Committee

3.4.2 Directors' remuneration is consistent with

their accountabilities and Responsibilities of each director by comparing with other companies in the same business group

3.4.3 Shareholders approve the remuneration structure and rate for the Company's directors, as well as other benefits

3.4.4 The Board of Directors discloses the policy and criteria for establishing the remuneration of directors that are consistent with each individual's roles and obligations

Code of Conduct 3.5

The Board of Directors ensures that all directors are accountable for carrying out their responsibilities and time allocate.

Practice Guideline

3.5.1 The Board of Directors provides a guidebook for listed company directors to ensure that positions and responsibilities.

3.5.2 The Board of Directors discloses other positions of the Company's directors.

3.5.3 If a Company director holds a directorship or executive position or has interests in other conflicting businesses, either directly or indirectly, or has the ability to profit from the opportunity or Company information, they must report to the Chairman of the Board of Directors and the Chairman of the Audit Committee.

3.5.4 Each Company's director should attend at least 75 percent of the total number of Board meetings held during the year, except in emergency situations.

3.5.5 The Board of Directors believes that each director's business competence and expertise are unrelated to the number of companies in which he or she serves as a director. As a result, the Company does not establish conditions for holding directorships in other listed companies.

Code of Conduct 3.6

The Board of Directors is responsible for establishing a structure and process for monitoring the policies and operations of subsidiaries and other businesses in which the Company has significant investments at a level that is appropriate for each business.

Practice Guideline

3.6.1 The Board of Directors has considered and formulated a policy to supervise subsidiaries, including:

- 1) Appointment of the Company's directors, executives, or persons with controlling power in subsidiaries, the senior management team of the co-investment company that considers the group's directors or executives with knowledge, abilities, and expertise in that business to become an agent as a joint venture partner or under a joint venture contract.
- 2) Determine the scope of responsibilities and obligations of the individuals representing the Company under 1) and let the Company's representatives take care of compliance with the subsidiary's policy. If the subsidiary has additional investors, the Board of Directors should develop a policy requiring agents to perform their tasks to the best of their abilities for the benefit of the subsidiary and in compliance with the parent Company's policy.
- 3) The subsidiary's internal control system is sufficient in scope and detail to ensure that diverse transactions are carried out in conformity with applicable laws and regulations.
- 4) Disclosure of financial position and operating results, transactions with related parties, acquisition or disposition of property, other significant transactions, capital increase, capital reduction, subsidiary dissolution, and so on.

3.6.2 Making significant investments in other businesses, the Board of Directors should ensure that the Shareholders' Agreement or other agreement is established to spell out management's authority and participation in critical decision-making, as well as performance tracking to be used as information in preparing the Company's financial statements in accordance with applicable standards and deadlines.

Code of Conduct 3.7

The Board of Directors organizes an annual performance evaluation of the Board of Directors and its sub-committees, using the results to improve the execution of duties.

Practice Guideline

3.7.1 The Board of Directors and Sub-committees conduct performance appraisals at least once a year, or more frequently as necessary.

3.7.2 The Board of Directors organizes performance appraisals, such as team assessments and individual evaluations, and discloses the outcomes of the assessments in the annual report.

3.7.3 The Board of Directors uses the evaluation results to develop the Board of Directors' and Sub-committees' performance of their respective roles as appropriate.

Code of Conduct 3.8

The Board of Directors supervises each Company's directors to ensure they are knowledgeable and understand their roles and responsibilities, the nature of business, and applicable laws, as well as to assist all Company's directors in regularly acquiring skills and knowledge necessary to perform their duties as the Company's directors.

Practice Guideline

3.8.1 Individuals who have been appointed as new Company's directors will get orientation.

- Provide pertinent information to assist in carrying out obligations
- Business direction (objectives, goals, vision, mission and corporate values)
- Roles, duties, compensation and other benefits of the Company's directors

3.8.2 Directors will continue to acquire the requisite expertise and training and will report on their progress in the annual report.

3.8.3 The Board of Directors should have a working knowledge of the applicable laws, rules, standards, risks, and environments affecting corporate operations, as well as be regularly informed of new information.

Code of Conduct 3.9

The Board of Directors guarantees that the Board's operations are in order, that they have access to relevant information, and that they have a Company secretary with the requisite knowledge and experience to assist the Board of Directors' operations.

Practice Guideline

3.9.1 The Board of Directors ensures that the Board of Directors' meeting date is set in advance so that the Company's directors can schedule their attendance.

3.9.2 The Board of Directors establishes a minimum of 6 meetings per year.

3.9.3 The Board of Directors establishes a process for the Company's directors and management to bring to the meeting items that are advantageous to the Company.

3.9.4 The Board of Directors ensures that meeting materials are distributed to the Company's directors at least 7 days prior to the date of the meeting.

3.9.5 The Board of Directors invites the Managing Director and Executives to attend Board of Directors meetings in order to provide additional details about the issue.

3.9.6 The Board of Directors may obtain additional information from the Managing Director, the Company secretary, or other executives assigned to the stated policy scope, if necessary, seek an independent opinion from a consultant or other external professional at the expense of the Company.

3.9.7 The Board of Directors provides non-executive directors with the opportunity to convene as needed to address any management issues of interest without involving management, and should also advise the Managing Director of the meeting's outcome.

3.9.8 The Board of Directors appoints a Company secretary who is responsible for compliance with the Securities and Exchange Act, as well as for providing ongoing training and development of knowledge necessary for the fulfillment of tasks.

Code of Conduct 4

Recruit and develop senior management and personnel management

Code of Conduct 4.1

The Board of Directors is responsible for ensuring the recruitment and development of the Managing Director and senior managements to ensure they possess the required knowledge including skills, experience, and traits to propel the Company forward.

Practice Guideline

4.1.1 The Board of Directors evaluates or assigns the nomination of competent individuals for the position of Managing Director to the Nomination Committee.

4.1.2 The Board of Directors gives the Managing Director the responsibility of ensuring that senior management is adequate.

4.1.3 The Board of Directors is responsible for ensuring the continuity of business operations, which includes supervising the establishment of a succession plan to prepare for the Managing Director and senior executives' succession and reporting the succession plan to the Board of Directors for acknowledgement at least once a year.

4.1.4 The Board of Directors encourages and supports the Managing Director and senior executives in pursuing training and development opportunities that will enhance their knowledge and expertise and benefit the operation.

4.1.5 According to the Board of Directors, the Managing Director and senior executives are required to report the appointment of the Company's directors or executives of other companies to the Chairman of the Board and the Chairman of the Audit Committee for approval via the Company Secretary.

Code of Conduct 4.2

The Board of Directors is responsible for establishing a reasonable salary structure and appraisal system.

Practice Guideline

4.2.1 The Board of Directors establishes the remuneration structure for the Managing Director.

- Short-term benefits such as salary, subsidies, and gratuities are depending on the Company's operating results and the Managing Director's performance review
- Long-term benefits such as provident funds and ESOP Retirement Compensation

4.2.2 The Board of Directors designates the Chairman of the Board of Directors or the Chief Executive Officer to convey the evaluation results to the Managing Director in the following manner:

- Annual operating results to compare to previous year's goals and performance
- Financial liquidity and economic conditions of the business compared to similar businesses

4.2.3 The Board of Directors assigns the Managing Director the responsibility of evaluating the Company's Top Executives and personnel in accordance with performance assessment criteria.

Code of Conduct 4.3

The Board of Directors is aware of the shareholder structure and relationships that may affect the Company's management and operations.

Practice Guideline

4.3.1 The Company is not bound by any shareholder agreements that might impede the Board of Directors' performance.

Code of Conduct 4.4

The Board of Directors follow up the personnel management and development to ensure that employees have an adequate level of knowledge, skills, experience, and motivation.

Practice Guideline

4.4.1 The Executive Committee is charged by the Board of Directors with monitoring human resource management and reporting to the Board of Directors at least once a year on the following topics:

- Reasonable corporate structure and compensation
- Plans for the development and retention of competent and informed personnel

4.4.2 The Board of Directors established a provident fund to guarantee that employees have enough fund for retirement savings.

Code of Conduct 5

Promotion of innovation and ethical business practices

Code of Conduct 5.1

The Board of Directors places a high value on and actively encourages the development of innovations that add value to the business while also benefiting consumers or connected parties and is accountable for the well-being of society and the environment.

Practice Guideline

5.1.1 The Board of Directors encourages the creation of innovations that result in higher-value products, services, or work processes that connects to the Company's policies and strategy.

5.1.2 The Board of Directors fosters the development of corporate innovations in response to changing environmental variables, including streamlining the manufacturing process and collaborating with partners to increase competitiveness.

Code of Conduct 5.2

The Board of Directors monitors and ensures that management conducts business in a socially responsible and environmentally responsible manner and does not violate stakeholders' rights in order to serve as a guide for all departments within the organization in achieving the corporate's objectives and sustainability core goals as reflected in the operation plan.

Practice Guideline

5.2.1 The Board of Directors acknowledges and respects the rights of various groups of stakeholders by taking into account their legal or contractual rights to guarantee that such rights are protected and treated fairly and equally. As a result, a policy has been established as a guideline for treating each stakeholder group fairly while also considering the community, society, and environment in the interests of sustainable development and anti-corruption, while not infringing on intellectual property or human rights violation.

5.2.2 The Board of Directors strongly encourages the inclusion of social responsibility reports in the annual report.

5.2.3 The Board of Directors has created contacts and procedures whereby all groups of stakeholders can report or register complaints on concerns that may cause damage to the Company, accuracy of financial reporting or unjust matters.

5.2.4 The Board of Directors has established a policy or guidelines for protecting employees or whistleblowers in situations that could result in harm to the Company or are unjust. The Company has established business ethics guidelines and a Code of Conduct for its directors, executive officers, and employees.

Code of Conduct 5.3

The Board of Directors oversees resource management to ensure efficiency and effectiveness, while also considering the impact and development of resources throughout the supply chain in order to ensure sustainability.

Practice Guideline

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

5.3.2 Establish an organizational culture and raise awareness among employees at all levels about the need of cooperation and responsibility in environmental management and resource efficiency and sustainability.

5.3.3 Promote environmental awareness and provide training to all employees about environmental matter..

5.3.4 Promote environmental management systems through effective resource use, and there are procedures in place to treat and repair, replace, monitor, care for, and avoid negative impacts on natural resources and the environment in the long term.

5.3.5 There is a system in place for choosing suppliers in the supply chain who conduct environmentally friendly operations.

5.3.6 Encourage the development and distribution of environmental technology.

Code of Conduct 5.4

The Board of Directors utilizes information technology to expand business prospects and improve operations in order to accomplish the Company's objectives and goals.

Practice Guideline

5.4.1 The Board of Directors is capable of managing sufficient information technology resources to operate the Company.

5.4.2 The Board of Directors has set rules and procedures to ensure the information systems' security.

Code of Conduct 6

Ascertain that an adequate risk management and internal control framework is in place.

Code of Conduct 6.1

The Board of Directors has set an effective risk management and internal control system as per applicable laws and standards.

Practice Guideline

6.1.1 The Board of Directors educates and informs the Company's directors about the critical risks associated with Company operations.

6.1.2 The Corporate Governance and Risk Management Committee has been charged by the Board of Directors with the following responsibilities.

- Determine the policy and establish the risk management strategy for the business
- Encourage risk management to become an integral part of the organization's fundamental culture
- The Company has an effective risk management program that place an emphasis on early warning signs.
- Follow up, supervise and evaluate performance

6.1.3 The Board of Directors established an internal audit unit to function as a standalone entity inside the Company, reporting to the Audit Committee on the following issues:

- Conduct a review to determine whether the Company has an adequate internal control system
- Conduct a review and formulation of internal control procedures with a particular emphasis on substantial abnormalities

6.1.4 The Company has protection the misappropriation of internal information that would have been detrimental to shareholders. The Company has created “organization data protection policy”. In the past year directors, executives, and employees of the Company have strictly adhered to the stated policy. The agenda item covering director and executive compensation has been included in each Board of Directors meeting and mentioned in the annual report.

Code of Conduct 6.2

The Audit Committee is appointed by the Board of Directors and must be capable of carrying out its responsibilities efficiently and independently.

Practice Guideline

6.2.1 The Board of Directors formed an Audit Committee comprised of at least 3 directors, each of whom must be an independent director with the necessary qualifications and responsibilities under the laws of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6.2.2 The Audit Committee Charter was developed by the Board of Directors by defining the term of office and scope of jurisdiction for the Audit Committee in order to clearly delineate the duties and responsibilities.

Code of Conduct 6.3

The Board of Directors has established a policy for resolving conflicts of interest that may arise between the Company and the directors, management, or shareholders, including the prohibition of unreasonable use of Company assets, information, and transactions with related parties.

Practice Guideline

6.3.1 The Board of Directors is responsible for overseeing the system’s security. This includes developing confidentiality policies and processes to ensure confidentiality, integrity, and availability of information, as well as the management of market sensitive information. Additionally, senior management, employees, and associated external parties all adhere to the information security system.

6.3.2 The Board of Directors is responsible for supervising the management and monitoring of transactions that may involve conflicts of interest, including establishing guidelines and practices to ensure that such transactions are conducted in accordance with applicable laws and for the benefit of the Company and its shareholders as a whole, in cases where stakeholders do not participate in decision-making.

6.3.3 The Board of Directors requires directors and executives to disclose their financial interests and relationships with connected parties in accordance with established regulations.

Code of Conduct 6.4

The Board of Directors has a policy of adhering to anti-corruption regulations by creating an anti-corruption policy and publicizing that policy to all levels of the organization and to external parties.

Practice Guideline

6.4.1 The Board of Directors commits to creating the Anti-Corruption Policy Manual and to enforcing compliance with the anti-corruption policy in written form. The Company’s directors, executives, and all employees have a responsibility to comply, which includes promoting and instilling in the Board of Directors, executives, and all employees the importance of adhering to applicable laws, rules, and regulations.

6.4.2 The Board of Directors discloses and publicizes the anti-corruption policy, including whistleblowing and complaint contact, via the Company’s website and annual report.

Code of Conduct 6.5

The Board of Directors has established a procedure for accepting complaints as well as action plan in case the clue was reported.

Practice Guideline

6.5.1 The section of the Code of Conduct for Company Directors, Executives, and Employees contains a schedule for receiving complaints.

6.5.2 In the event of a whistleblower reporting corruption, adhere to the anti-corruption policy, which is detailed in the anti-corruption policy, and to the anti-corruption policy’s requirements.

Code of Conduct 7

Maintain Financial Credibility and Disclosure

Code of Conduct 7.1

The Board of Directors puts a focus on having a strong corporate governance system and disclosing material information that has or may affect the Company's stock price, investment decisions, or shareholder benefits, so that shareholders and investors receive essential information in an equal and timely manner.

1. Information reported in accordance with the accounting period, such as financial statements and annual registration statement (Form 56-1) and the annual report

2. Information reported by events such as acquisition/disposal of assets, connected transactions, investment participation, paying/not paying dividends and financial assistance, etc

The delivery of such information is done electronically and submitted in the form of a printed document to the Stock Exchange of Thailand within the specified time frame for publication, as well as publishing it on the Company's website www.farmhouse.co.th in both Thai and English. The Company was not fined by the Securities and Exchange Commission or the Stock Exchange of Thailand for non-compliance with information disclosure requirements in the previous year.

Publication of information on the Company's website includes:

- Company Vision and Mission
- The nature of the Company's business
- Good Corporate Governance Policy of the Company
- Charter of Audit Committee and Risk Management Committee
- Internal Audit Charter and the code of conduct of the internal auditors
- Major Shareholders
- Quarterly and annual financial statements, including current and previous year's editions
- Annual Report and Form 56-1
- Meeting with analysts, investors, Opportunity day

- Criteria for shareholders' right to submit agenda items
- Invitation to the shareholders' meeting, Minutes of the Annual General Meeting of Shareholders
- and various marketing news and the Company's social activities

The Board of Directors recognizes that Company information, both financial and non-financial, influences the investment and stakeholder decision-making processes. As a result, the management has directed the management to proceed with the disclosure of complete, accurate, reliable, consistent, and timely information, including an annual financial reporting responsibility report.

In terms of investor relations activity, Director and Senior Manager Executive Accounting, Ms. Petcharat Anantawichai has been appointed to be responsible for communicating with institutional investors, shareholders, and analysts. Investors can contact the Company for information about the Company by phoning 02-2093000 ext. 3444 or at the website www.farmhouse.co.th or e-mail address petcharat.ana@pbplc.co.th.

Additionally, over the last year, the Company has given information services and responded to e-mail enquiries from shareholders, investors, and associated parties.

Practice Guideline

7.1.1 The Board of Directors ensures that personnel involved in the preparation and disclosure of information possess the necessary knowledge, skills, and experience for their respective duties and responsibilities, including the Managing Director, Chief Executive Officer, Accounting and Finance accountant, internal auditor, Company secretary, investor relations, and related persons.

7.1.2 The Board of Directors has prepared a report on the Board of Directors' responsibilities for financial reporting in order to get approval for the disclosure of financial reports.

7.1.3 The Board of Directors ensures that information disclosed, including financial statements and annual report form 56-1, accurately reflects the Management Discussion and Analysis (MD&A) required for quarterly or annual financial statements disclosure.

7.1.4 Regarding the disclosure of transactions involving the Company's directors and officers, the Company has complied with and disclosed in line with the Securities and Exchange Commission, the Stock Exchange of Thailand, and applicable laws.

Code of Conduct 7.2

The Board of Directors is responsible for monitoring the Company's financial liquidity and solvency.

Practice Guideline

7.2.1 The Board of Directors ensures that management monitors and evaluates the Company's financial status in order to report to the Board of Directors on a regular basis. If there are indications of financial liquidity or ability to pay debts, the Board of Directors, in collaboration with the management team, should work to identify a solution as quickly as possible.

7.2.2 For approval of any transaction or submitting an opinion to the shareholders' meeting for approval, the Board of Directors must be confident that any transaction, or submission of an opinion to the shareholders' meeting for approval, would not jeopardize business continuity, financial liquidity, or the ability to pay debt.

Code of Conduct 7.3

In the event that the Company encounters financial liquidity issues, the Board of Directors is confident that the Company will have additional strategies or processes in place to address the issue while respecting the rights of stakeholders.

Practice Guideline

7.3.1 The Company conducts business prudently and in accordance with applicable disclosure standards. The Board of Directors has kept a careful eye on the Company in the case of financial liquidity concerns.

7.3.2 The Board of Directors supervises the company in establishing a plan to manage financial problems, taking into account stakeholder fairness, including payables, as well as monitoring progress toward resolution. Management must report on a regular basis.

7.3.3 The Board of Directors is confident in the reasonableness of the resolution.

Code of Conduct 7.4

The Board of Directors evaluates and provides a sustainability report as necessary

Practice Guideline

7.4.1 The Board of Directors evaluates the appropriateness of information disclosure, compliance with applicable laws, business ethics and codes of conduct for directors, executives, and employees, anti-corruption policy, and treatment of employees and stakeholders, including fair treatment and respect for human rights, social responsibility, and the environment, using a nationally or internationally recognized reporting framework. These details may be included in the annual report.

7.4.2 The Board of Directors ensures that the information given is significant and reflects the business practices that will result in sustainable business value.

Code of Conduct 7.5

The Board of Directors supervises management and establishes a unit or individual responsible for investor relations in order to engage with shareholders, stakeholders, investors, analysts, and the media in a timely, appropriate, and equitable manner.

Practice Guideline

7.5.1 The Board of Directors appoints a Managing Director or related individual who knows the operations of the Company and is responsible for communicating with and disclosing information to outsiders through suitable channels.

7.5.2 The Board of Directors supervises the management to set up a unit or person responsible for investor relations.

Code of Conduct 7.6

The Board of Directors encourages the dissemination of information through the use of information technology.

Practice Guideline

7.6.1 The Board of Directors ensures that information is disclosed in both Thai and English via the Stock Exchange of Thailand and the Company website.

Code of Conduct 8

Encourage participation and communication with shareholders.

Code of Conduct 8.1

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

Practice Guideline

8.1.1 The Board of Directors recognizes and respects shareholders' ownership rights. There is no action that infringes on or deprives shareholders of their rights. The Board of Directors looks after the interests of shareholders fairly, as well as supporting and encouraging all groups of shareholders, whether domestic or foreign, major, minority, or institutional shareholders, to exercise their fundamental shareholder rights, such as the right to adequate and timely information, as well as the right to attend the shareholders' meeting to determine the company's future direction.

8.1.2 The Board of Directors prescribes that the Annual General Meeting of Shareholders' agenda be consistent with the Company's Articles of Association and applicable legislation. There are clearly essential agenda items for the meeting, which are discussed and approved by the Board of Directors. As a result, the supporting documentation to be provided to shareholders together with the invitation letter included explanations of facts and reasoning, as well as the directors' opinions, providing shareholders with sufficient knowledge to make informed decisions and vote on various agenda items. The Company has indicated unequivocally that it has the documentation evidence necessary to establish that shareholders or their representatives have the right to attend the meeting. Each year, there are several significant agenda items to review and pass, including the following:

- Director Appointment Agenda : The Company enables shareholders to select directors on an individual basis by providing information about their name, surname, age, educational background, work history, the number of companies with director positions separated into

listed and non-listed companies, the criteria and methods for recruiting, the types of directors proposed, attendance information, and the number of years in office for the same director in the case of multiple nominations. The Nomination Committee has examined the proposed appointment.

- Director's Remuneration Agenda : The Company has provided information on the types and amounts of compensation, as well as rules and procedures for determining the remuneration of directors who have through a screening process by the Remuneration Committee.
- Agenda for the appointment of auditors: The Company provided information about the auditor's name, auditor's office experience and auditors' competence, independence, compensation, years of service to the Company (in the case of re-appointing the same auditor), and method for determining the appropriateness of the audit fee, which was screened by the Audit Committee.
- Profit Allocation and Dividend Agenda : The Company has disclosed information regarding the allocation of profit and reserve funds, the dividend amount with justifications and supporting information, all of which are consistent with the Company's dividend payment policy and the date specified by the Board of Directors (Record Date) for determining the right to receive dividends.

8.1.3 The Board of Directors allows minority shareholders to propose items for inclusion in the meeting agenda and/or to nominate candidates to be considered for election as the Company's directors at the annual general meeting of shareholders.

8.1.4 The Board of Directors permits shareholders to submit meeting-related questions in advance of the shareholder meeting's scheduled date.

8.1.5 The Board of Directors guarantees that the notice of the Annual General Meeting of Shareholders contains accurate and comprehensive information, as well as all necessary papers for the meeting of shareholders. The invitation letter and accompanying materials will be mailed to shareholders at least 10 days prior to the meeting's date. The meeting's invitation letter was created in both Thai and English. The Shareholders' agreement in English can be accessed at www.farmhouse.co.th. Additionally, if necessary, a proposal for an urgent special agenda must be made that impacts or is related to the shareholders' interests or is involved in circumstances or government requirements that must be approved by shareholders. The Company will convene an extraordinary general meeting of shareholders on a case-by-case basis, and the Company gave shareholders one month advance notice of the opportunity to propose items for inclusion on the meeting's agenda and/or to nominate a candidate for election as a director of the Company.

The Company has given the opportunity for shareholders to appoint other persons as their proxies or independent directors to attend the meeting on their behalf and vote on their behalf by sending a power of attorney form B and documents required for the attendees themselves and the proxy. The procedure for attending the meeting and voting is shown attached to the meeting invitation and can be downloaded from www.farmhouse.co.th. According to the forms prescribed by the Ministry of Commerce, there are 3 types, which can choose one of the power of attorney forms so that shareholders can determine the direction of voting.

At the shareholders' meeting, the Company will explain the voting process, including the right to vote, by counting the number of ordinary shares, 1 share equals 1 vote, as well as the meeting's rules and ballots for each agenda item, by tallying the votes, and by disclosing the voting results for each agenda item at the shareholders' meeting by specifying the shareholders who voted to approve, disapprove, or abstain from voting. There are no additional meetings scheduled that were not previously announced.

8.1.6 The Board of Directors encourages all shareholders to exercise their rights as shareholders. In advance of the meeting, the Company sent a notice of the meeting and meeting documents for consideration in both Thai and English.

8.1.7 The Board of Directors is fair and equitable to all shareholders. The same class of stock has the same voting rights since one share equals one vote.

8.1.8 The Board of Directors encourages shareholders who are unable to attend the meeting in person to appoint individuals to attend and vote on their behalf by utilizing a power of attorney on which shareholders can direct voting and propose at least one independent director as a substitute proxy.

Code of Conduct 8.2

The Board of Directors is responsible for the organization, transparency, and efficiency of shareholders' meetings, as well as for the exercise of shareholders' rights. The Company secretary will define the shareholders' voting rights and obligations. According to the Company's Articles of Association, each ordinary share carries one vote. Voting must be conducted in a transparent manner. The Company registered and counted votes for each agenda using a barcode and ballot mechanism. The computer screen displays the scores. The outcome shall be sent to the projector for simultaneous viewing by shareholders. Additionally, the Managing Director, Chief Accountant, and Finance Executive Director, as well as the Company's auditor, attended the meeting to allow shareholders to ask questions about related matters, and the Company arranged for an inspector to witness the counting of votes for each agenda item by inviting the Company's auditors, EY Office Company Limited, as well as representatives of legal advisory firms, in order to ensure that the meeting was transparent and legitimate in accordance with the Company's Articles of Association.

The Company revealed the resolutions of the shareholders meeting, along with the voting results for each agenda item, and informed the Thai Stock Exchange. Within four months after the fiscal year's conclusion.

The next day following the shareholders' meeting, the Company posts the resolutions of the shareholders' meeting on the Company's website. The minutes of the meeting were accurately and completely recorded by including the names of the directors, Executive Committee, and executive with position who attended the shareholders' meeting, as well as important questions and comments and the director's explanation, including the meeting's resolutions and voting results clearly in the meeting's

minutes, both in Thai and English, for shareholders to examine. The information was made available 14 days following the shareholders' meeting at www.farmhouse.co.th/investor

Practice Guideline

8.2.1 The Board of Directors sets the date, time, and location of the meeting, taking into account shareholder convenience.

8.2.2 The Board of Directors ensures that no action is taken that restricts shareholders' ability to attend shareholder meetings.

8.2.3 The Board of Directors promotes the incorporation of technology into shareholder meetings.

8.2.4 The Board of Directors has established the following guidelines for the shareholders' meeting:

- 1) The Chairman of the Board of Directors is the chairman of the shareholders' meeting.
- 2) There are no additional meetings on the agenda that have not been previously announced.
- 3) Company Directors, Chairman of the Sub-Committees, Chief Executive Officer in Accounting and Finance and related executives must attend the meeting.
- 4) Prior to the meeting's start, shareholders who attended in person and those who appointed proxies were notified of the number and percentage of shareholders who came in person and those who appointed proxies. Additionally, the meeting's format, voting, and vote counting are specified.
- 5) The agenda for the election of Company directors is arranged for individual resolutions.
- 6) The Directors' remuneration agenda gives shareholders the right to approve.
- 7) A ballot is used, along with the presence of an independent witness to the vote counting.

Code of Conduct 8.3

The Board of Directors is responsible for ensuring that the disclosure of meeting resolutions and the preparation of meeting minutes are accurate and complete.

Practice Guideline

8.3.1 The Board of Directors makes the resolutions of the shareholders' meeting and the voting results for each item on the agenda available to the public the following business day via the Stock Exchange of Thailand's news system and the Company's website.

8.3.2 The Board of Directors ensures that the minutes of the shareholders' meeting are compiled by noting clarifications of the voting procedures and the names of the Company's directors, subcommittee members, and executives who attended and were missing from the meeting. The Company's website makes the voting results for each agenda item, as well as the questions and replies, publicly available.

8.3.3 The Board of Directors ensures that a copy of the minutes of the shareholders' meeting is delivered to the Stock Exchange of Thailand within 14 days of the meeting's conclusion and to the Ministry of Commerce's Department of Business Development within the time period stipulated by law.

Business Ethics

1. Responsibility to Stakeholders

The Board of Directors has established a policy to foster cooperation between the Company and its stakeholders in order to improve the Company's performance by encouraging cooperation and protecting stakeholders' rights under applicable laws. The Company's stakeholders are shareholders, consumers, business partners, competitors, payables, employees, communities and society, the environment, and government sectors.

1.1 Shareholders

The Board of Directors performs its responsibilities with caution, candor, and integrity in order to deliver positive returns for shareholders on a consistent and sustainable basis. It is defined as the policies and guidelines listed below:

1.1.1 Respect shareholders' rights to ownership and treat them equally and fairly

1.1.2 Operate by adhering to the principles of good corporate governance. This contributes to shareholder confidence and trust, which results in sustainable growth.

1.1.3 The Company's business is continuously developed in order to progress, and it provides stockholders with appropriate return.

1.1.4 Report significant information that affects or may affect shareholders' rights, both information reported on an accounting period basis and information reported on an event basis in line with applicable laws and notifications, without limiting shareholders' access to the Company's information.

1.1.5 Provide a report on the Board of Directors' responsibility for the financial reports in the annual report.

1.1.6 Allow minority shareholders to submit items for inclusion on the meeting agenda and/or nominate a candidate for election as a director of the Company at the annual general meeting of shareholders.

1.1.7 Allow shareholders to submit questions related to the meeting in advance of the shareholders' meeting.

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

1.1.9 Facilitate the shareholders' meeting by selecting a day, time, location, and method that do not preclude attendance, including providing possibilities for shareholders who cannot attend the meeting in person to appoint others to attend and vote on their behalf.

1.1.10 Treat conflicts of interest prudently with reasonableness and disclose information in its entirety.

1.1.11 Protect the Company's interests and assets in the same way as a prudent individual would protect his own, by avoiding unjustified exploitation, whether direct or indirect.

1.2 Customers

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

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

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

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

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

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

1.2.6 Provide communication channels for customers to make complain and concerns regarding the Company, such criticism should be processed fairly.

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

1.3 Business Partners

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

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

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

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

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

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

1.4 Competitors

The Board of Directors conducts business in accordance with the legislation by establishing the following policies and guidelines:

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

1.4.2 Do not jeopardize competitors' reputations.

1.5 Payables

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

1.5.1 Treat all payables equally and fairly.

1.5.2 Strictly adhere to contracts or agreed-upon terms.

1.5.3 Manage business to reassure payables about the Company's financial position and solvency.

1.5.4 Disclose the financial condition accurately and timely.

1.5.5 If one of the conditions cannot be met, promptly notify the payables in advance to collaborate to find a solution and avoid damage.

In 2018, the Company paid trade accounts payable as per the pre-agreed payment terms without incurring any defaults, and the Company currently has no payables for any loans.

1.6 Employees

The Board of Directors considers employees to be valuable resources and a factor in the success of the Company. It is defined as the following policies and guidelines:

1.6.1 Treat employees with dignity and respect for their fundamental rights at work, and refrain from disclosing or transmitting employees' information or secrets to outsiders or unrelated parties.

1.6.2 Treat employees within the legal framework, regulations relating to the operation of the Company.

1.6.3 Promote equality in employment without discrimination based on gender, color, race, religion, age, disability, or any other status which are not directly related to work performance.

1.6.4 Encourage and support knowledge exchange through training to comprehensively develop personnel's knowledge and talents, create a stable work environment and possibilities for progress based on each person's abilities.

1.6.5 Encourage employees to participate in the setting the direction of the Company's operations and development.

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

1.6.7 Provide appropriate welfare and benefits for employees such as medical treatment, provident fund, savings, etc.

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

1.6.9 Provide the necessary facilities to perform duties, including providing a working environment, taking into account the principles of occupational safety and health in order to promote and enhance the employees quality of life.

1.6.10 Promote the participation of employees at all levels to carry out social responsibility activities.

The Company recognizes the importance of employees as the most valuable resources and are at the heart of driving the organization to success. The Company treats the employees with respect with human dignity and fundamental human rights.

The Company promotes training to develop knowledge, enhance employees' abilities thoroughly, as well as provides opportunities for career advancement according to the potential of each person, along with taking care of the compensation with fairness according to their skills, knowledge, competence, responsibility and performance.

In the meanwhile, the Company supports the creation of a good working environment as well as considers the safety of the employees' life, health and property. The Company has set up a Safety Committee particularly for enhancing and uplifting the quality of life through the various welfare and benefits for employee to enjoy a better life.

- Hygiene and safety, such as the Company's infirmary, dining room, compensation fund, medical expenses apart from the one required by law, accident insurance for all employees, 24-hour protection, annual health check and influenza vaccinations, etc.

- Living expenses support, such as transportation for employees, uniforms, maternity allowance, child scholarship, group accident insurance and special interest rate for accommodation, etc.

- Morales, such as internal and external training seminars to increase skills, knowledge, and capacities, outstanding employee and supervisor awards,

10 years of service awards, incentive money, annual party, bereavement support, etc.

- Savings for the future such as employee deposits at higher interest rates than the market, provident fund, retirement pension, etc.

The Company encourages all employees to take part in caring for the environment by establishing the "Occupational Safety, Health and Environment in the Workplace Committee". The Committee works on good safety and hygiene, carried out checks for workplace safety regularly, organize for 24 hours security guards, install alarm system inside the building, as well as fire prevention and suppression system, providing tools, appliances and safety equipment to employees, by ensuring that employees strictly use the tools with safety to prevent accidents. The committee has also prepared a safety system and various safety equipment, such as alarms, fire extinguisher, emergency lighting, ventilator, etc. The committee also organized fire evacuation drills and fire prevention annually, both theoretical and practical. There is also a CCTV system installed to monitor the assets of employees and the Company, as well as providing supervision and inspection to ensure that the system is in good working condition at all times.

The Company has supported the creation of 5S programs and initiatives to establish workplaces that promote health, employee physical and mental well-being, and workplace improvement. There are campaigns and training activities aimed at assisting employees in quitting smoking and drinking alcohol, avoiding travel accidents, and abstaining from all types of drugs. The Company has set up a smoking cessation clinic which is a good and beneficial activity for employees.

The Company established the Employee Welfare Promotion Committee to provide opportunities for employees to participate in welfare management and is a medium to provide assistance regarding welfare benefits to employees thoroughly as well as giving opportunities for employees have communication channels. In addition, the Company encourages all executives and employees to participate in religious activities on the Company's merit day and social activities with the principles of management to be applied in family and work life, which enhances a better quality of life.

1.7 Community and Society

The Board of Directors conducts business with the regards of duties and responsibilities towards the nation, community and society, as well as local customs and traditions to maintain a good society and the public. The policies and guidelines are as follows:

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

1.7.2 Cultivate a continual and serious sense of duty toward the community and society at large among the Company and its employees at all levels.

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

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

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

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

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

- Encourage the preservation of cultural heritage and local customs.

- Collaborate with a variety of community development organizations.

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

- Establish a positive relationship between the business and the surrounding community and society on the basis of precision and honesty and In addition,

the Company has set an annual work plan to carry out activities related to Continuous Social Responsibility from the development of the communities surrounding the factory to broad social development. The Company organizes activities for teaching how to make simple desserts for students and community members around the factory, in order to provide employment for the community and foster positive relationships between the Company and the community, as well as supporting bakery products for various organizations when organizing social activities such as offering a Kathin ceremony with nearby temples and social organizations in the community, donating money and other items to a variety of charities and organizations across the country (for more details, see Sustainability Development Report)

1.8 Environment

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

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

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

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

1.8.3 Promote knowledge and training for executives and employees at all levels regarding environmental issues.

1.8.4 Promote environmental management systems through effective resource use, and there are procedures in place to treat and repair, replace, monitor, care for, and avoid negative impacts on natural resources and the environment in the long term.

1.8.5 Possess a mechanism in place when selecting partners in the supply chain (Value Chain) who operate environmentally friendly businesses.

1.8.6 Promote the development and dissemination of environmentally friendly technologies.

Consider the various options for utilizing natural resources without inflicting any harm to the environment or people's quality of life, or at the very least, as well as be a leader in promoting energy efficiency and conservation, in order to assist society and the community in a long-term manner.

1.9 Government

The Board of Directors conducts business in accordance with the legislation by establishing the following policies and guidelines:

1.9.1 Study and comprehend the applicable rules and regulations and abstain from doing any action that violates the law.

1.9.2 Operate appropriately while interacting with government personnel or agencies.

1.9.3 Establish a positive relationship between the Company and the government within a reasonable boundaries.

1.9.4 Comply with the law, customs and traditions related to business operations in each country or locality

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

2. Conflicts of Interest

The Board of Directors has a policy in place to deal with conflict of interest. The guidelines are as follows:

2.1 Treat conflicts of interest or connected transactions with prudence, fairness, and reasonableness, with a transparent process for approval of the transactions

by taking into account the interests of the Company. Directors who have conflict of interests do not have the right to vote and disclose information in its entirety according to the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.2 Uphold the interests of the Company under the legality without doing anything which is a conflict of interest with the Company, including not giving benefit or special privileges to any person.

2.3 The Company's directors and executives must report their interests and related persons according to the prescribed criteria.

2.4 The Company's directors, executives and employees who are in the department that receives internal information. Trading in the Company's shares is prohibited for a period of 1 month prior to the disclosure of the financial statements to the public and 24 hours after the financial statements have been disclosed.

2.5 Stipulates that the Company's directors, executives, and their spouses and children who have not yet reached the age of majority must report their securities holdings and changes to the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as notify the Company Secretary to report to the Board of Directors at the next Board of Directors meeting.

2.6 Do not disclose or transmit any information or confidential information of the Company to third parties or those who are not related.

2.7 Disclosure must be carried out by authorized employees of the Company. Classes of confidentiality may be assigned based on the importance of the information and providing information must be within the framework of the assigned duties and responsibilities.

2.8 In the case of a regular transaction and its future continuation, management department can proceed by explaining that the quoted price is fair, the quality of products and services is acceptable and other necessary conditions to be judged in making such a transaction. Administration and management must have considered that such transactions cause the greatest benefit to the Company. Documents and evidence must be collected to be used in the explanation to the Audit Committee.

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

3. Entertainment, Acceptance or Presenting Gifts

The Board of Directors expects the Company's business to be conducted in a way that is fairly competitive. Receiving or delivering business entertainment and gifts according to custom is something that should be followed as appropriate in order to keep a strong relationship. The guidelines are set as follows:

3.1 Do not accept or present gifts, reward, business entertainment that may influence one's decision. If it is necessary to accept or give a gift, a present, a customary entertainment of an unnatural value, employees must submit reports to supervisors.

3.2 In case of assignment or has received permission from a supervisor to assist an external agency, employees may receive money, things or gifts in accordance with the rules or standards specified by such external and general use, such as receiving gifts, gifts, and drawing lots for prizes, etc.

3.3 In the event that an agent, contractual party, partner, or any other person wishes to deliver gifts or entertainment on behalf of the Company, it must be approved by the Company first.

3.4 Various expenses involved in these matters should be within a reasonable budget range.

4. Anti-Corruption

"Company" is the leader in the production and distribution of bakery which creates the highest popularity and satisfaction for consumers as well as providing confidence to all groups of stakeholders. Therefore, a

transparent management system has been effectively developed in accordance with the principles of good corporate governance. The Company shall not accept any form of corruption, both directly and indirectly. Therefore, it has signed a declaration of intent to join the project "Collective Action Coalition of the Thai Private Sectors Fight Corruption" on 22 April 2016. The Company will continue to implement the anti-corruption policy continuously with the realization that corruption will be a major obstacle to the development of the organization and the country.

In this regard, the Company has established an anti-corruption policy. To be a clear guideline of the company and as a requirement for the Company's directors, executives and all employees to comply with the policy To develop into a sustainable organization as follows:

Company directors, executives, and employees at all levels must adhere to anti-corruption policies without being directly or indirectly involved in corruption, and have responsibilities as outlined in the "Good Corporate Governance Policy," which includes regulations and operating manuals of related companies, as well as any other guidelines that the Company may establish in the future.

4.1 The Company is determined to create awareness, values, attitudes and maintain an organizational culture that adheres to Corruption is unacceptable both transactions with the public and private sectors.

4.2 Company Directors, Executives, Employees at all levels shall not neglect or ignore when seeing fraudulent actions related to the company. The supervisor or the person in charge must be notified. In line with the Company's regulations, and cooperate in the investigation of various facts as well as providing channels for accepting complaints from third parties.

4.3 The company must be fair and protect employees who refuse to corruption or report corruption related to the company. The company will not demote, punish or adversely affect employees who reject corruption. Even if that performance cause the company to lose business opportunities.

4.4 A person who commits fraud is to violate the Company's guidelines as well, which must be considered disciplinary according to the regulations set by the company. In addition, may be punished by law If the action is illegal.

4.5 The company requires that the company publicize its anti-corruption policy through both internal and external media such as the Company's Intranet Website and annual reports. The aforementioned policy of the Company is a practice under the laws of Thailand against corruption.

In this regard, the Company has disseminated anti-corruption policy to employees and business partners and all stakeholders in both written documents and information disclosure on the Company's website that the company does not accept any form of corruption, whether as a recipient or a giver. It also measured the dangers of corruption as well as establish clear and consistent risk assessment guidelines to be able to adhere to the policy. Furthermore, the company has supported activities that encourage employees to understand to anti-corruption principles, such as the Anti-Corruption Intent from the Managing Director's course lecture "Anti-Corruption" for employees. Orientation training for new employees on the topic of "Anti-Corruption Policy," as well as organized "activities to assess anti-corruption knowledge". A yearly cognitive test for executives and employees of all levels.

5. Non-infringement of Intellectual Property

The Board of Directors has a policy of not infringing on intellectual property. The guidelines are set as follows:

5.1 Conduct business in accordance with laws, regulations and contractual obligations related to intellectual property rights.

5.2 Maintain the Company's intellectual property rights. and does not use such intellectual property or allow other people to use without permission.

5.3 Respect the intellectual property rights of others. Do not infringe or use other people's work for their own benefit unless permission or compensation is given to the owner of the work.

5.4 Work created by employees or arising from the performance of duties shall be regarded as the Company's intellectual property and upon termination of the employee status, such intellectual property shall be returned to the Company. no matter what format the data is stored in

6. Non-Violation of Human Rights

The Board of Directors respects human rights. The guidelines are set as follows:

6.1 Do not take any action or not supporting activities that violate human rights.

6.2 Provide knowledge and understanding of human rights principles to employees as part of their operations.

6.3 There is no limitation on independence or differences of opinion, gender, race, religion, politics or any other matter, and should avoid expressing opinions that may cause conflicts or divisions.

6.4 Provide communication channels for employees or those who believe their rights have been violated or has been treated unfairly can complain to the company and complaints should be treated fairly and treated fairly.

7. Occupational Safety and Health

The Board of Directors attaches great importance to safety and occupational health. The guidelines are set as follows:

7.1 Conduct business in accordance with the law Occupational Safety, Health and Work Environment Rules and Policies taking into account the safety of life and property and the impact on the health of employees Partners and Stakeholders Including regular monitoring and evaluation of safety.

7.2 Promote safety at work by defining rules, procedures, and working standards that are safe to work in accordance with risks as well as improving working conditions, environments, safe working methods, and providing tools and safety protection equipment for employees.

7.3 There is preparation for emergency situations by continually preparing, practicing and improving emergency plans. This is to prevent and reduce the loss of life and property of the Company, employees, business partners and related parties.

7.4 Create a safe working culture throughout the organization. This will help ensure safety at work. sustainable.

Ethical Conduct for Company Directors, Executives and Employees

1. Responsibilities

The Board of Directors realizes the importance of good corporate governance. It has been carried out continuously for the Company's directors, executives and employees to acknowledge and adhere to the same guidelines under the framework of ethics and living with honesty, prudence, and prudence for the best interests of the Company and all related parties. Therefore, the code of ethics has been set as follows:

1.1 Company Directors and Executives

1.1.1 Perform duties responsibly, cautiously, honestly, and honestly in compliance with the law. Articles of Association Related announcements and resolutions of the shareholders' meeting

1.1.2 Perform duties to the best of their ability for the maximum benefit to the company including attending every meeting except in case of necessity.

1.1.3 Carry out responsibilities with objectivity. Company Directors and Executives have no right to vote on subjects in which they have an interest during the meeting.

1.1.4 Perform duties by dealing with conflicts of interest with prudence and rationality by upholding the interests of the Company in order for the management to be transparent.

1.1.5 In the acquisition or disposition of the Company's securities, Company Directors and Executives including spouses and underage children must comply with the relevant rules and report to the Board of Directors for acknowledgment in the next meeting.

1.1.6 Company directors and executives are prohibited from buying or selling the Company's stocks during one month before to the public disclosure of the financial statements and 24 hours after the public disclosure of the financial statements.

1.1.7 Company Directors and Executives must report their interests and those involved in accordance with the prescribed criteria.

1.1.8 There is an annual evaluation of the Board of Directors' performance.

1.2 Employees

1.2.1 Support and cooperate with the Company's business operations on a regular basis and complete tasks to the best of their abilities in order to achieve positive results and advancement for the organization and its personnel.

1.2.2 Comply with the laws, policies, regulations on work regulations and announcements related.

1.2.3 Treat visitors with good-natured manners and excellent service. Maintain the image and reputation of the company.

1.2.4 Maintain trade secrets and does not disclose the company's internal information to outsiders.

1.2.5 Do not borrow money from customers, persons related to the customers or those who do business with the company except for borrowing money from banks or financial institutions.

1.2.6 Comply with the lawful orders of the supervisors.

1.2.7 Adhering to teamwork, helping, unified and respect for each other's rights for the benefit of the company and employees.

1.2.8 Treat colleagues with kindness and good human relations. Do not denigrate others without the truth and do not claim other people's work as one's own.

1.2.9 Perform duties with intention, honesty, integrity and do not seek benefits for yourself or others by virtue of your work with the Company.

1.2.10 Perform duties responsibly, cautiously, without negligence that may cause damage to the work or property of Company.

1.2.11 Acting as a good citizen under the constitutional law and related laws using political rights appropriately. Avoid getting involved in illegal activities or conflict with public order and good morals.

2. Maintenance of the Company's

Assets

Directors, executives and employees have duties and responsibilities to ensure the efficient use of the Company's assets and the assets under the Company's care. The guidelines are set as follows:

2.1 Use assets in business operations without using such assets for personal benefits or outsiders.

2.2 Protect benefits and take care of assets from being lost, damaged or misused as a wise man should protect his own assets and eliminate unlawful exploitation

2.3 Ensuring that there is sufficient insurance against damage that may occur to the property.

2.4 Do not use a computer in the manner of accessing other people's systems or data that has measures to prevent eavesdropping, damaging, destroying, modifying, altering, or disturbing other people's information in violation of the law relating to computer crimes. And provide for the security of the information technology system in accordance with international standards.

2.5 Use the e-mail and Internet provided for the Company's business carefully and do not bring any defamation to the Company's reputation.

2.6 Keep and do not allow others to use passwords for accessing the Company's information systems.

2.7 The Company's intellectual property is not to be reproduced, modify or act in any way for personal benefit or the benefit of others without permission from the company.

2.8 Report to supervisor when witnessing acts that violate rights or may lead to infringement of rights or actions that may cause a dispute about the Company's intellectual property.

2.9 Ensuring that important documents of the Company are kept completely within the period required by relevant laws or regulations. And after the period of document retention is over, the relevant staff must ensure that it is destroyed by an appropriate method.

3. Whistleblowing or Complaints

The Board of Directors provides opportunities for employees and stakeholders to report clues or complaints. When a matter that may be an illegal act Corruption or misconduct of employees in the company as well as behaviors that may cause problems and cause damage to the company including receiving complaints in the event that employees and stakeholders are violated or did not receive justice through the channels and processes specified by the company.

The Company will listen and deal with all complaints equally, transparently and fairly with systematic and fair measures to protect complainants. The complainant's information will be kept confidential by the Company.

Measures to protect complainants

1) The complainants can choose to remain anonymous. If you see that the revelation will cause insecurity or damage

2) The Company will keep the relevant information confidential and take into account the safety of the complainant by establishing measures to protect complainants who are employees including those who cooperate in the investigation of facts will be protected from unfair treatment due to the cause of complaints such as interference with the operation Change positions and layoffs, etc.

4. Diagnosis of Doubts

The supervisor is responsible and provides advice to the subordinates to understand and perform work in accordance with the established ethics conduct. If the ethics conduct does not cover any circumstances or if you still have questions unable to act or make decisions consult with the hierarchical supervisor In the event of a conflict, the conclusion of the Executive Director of the Executive Committee and Board of Directors will be chosen.

Attachment 6

Report of the Audit Committee for the Year B.E. 2021

Dear Shareholders of President Bakery Public Company Limited

The Board of Directors passed a resolution on April 19, 2021 to appoint a new audit committee. Replace the old committee who have retired, which consist of 4 independent directors who are qualified, knowledgeable, proficient and experienced in Human resource management, Laws, Regulations, including Accounting and Taxation as the following names.

1. Prof. Dr. Teerawut Bunyasophon
Chairman of the Audit Committee
(with professional knowledge and experience in human resource management)
2. Mr. Wattanachai Chotichutrakul
Audit Committee
(knowledgeable, expertise and experience with legal aspects)
3. Mr. Thanapitch Moonpruek
Audit Committee
(knowledgeable, expertise and legal experience)
4. Mrs. Emon Pathumarak
Audit Committee
(knowledgeable, expertise and accounting and taxation experience)

All Audit Committee members meet the qualifications outlined in the Audit Committee Charter and have independently carried out their duties within the scope of responsibilities delegated by the Board of Directors and the Stock Exchange of Thailand's regulations. It has a policy of focusing on the Company's adherence to the principles of good corporate governance. There is excellent risk management, as well as a review of the internal control system and an internal audit that includes employee work as well as the Company's leaders' ethics and codes of conduct. The Company's Certified Public Accountant also conducts an external audit. According to international norms, EY Company Limited delivers financial information. It is effective, efficient, transparent, dependable, and responsible.

which benefits shareholders, investors, stakeholders, employees, and people involved in all departments the most as follows:

- Focus on ensuring that the company's financial statements and financial reporting are accurate and disclosed by conducting an evaluation of their reliability, reasonableness and in the Company's best interests as shareholders and general investors.
- Focus on preventive audits in order for the Company to have an appropriate internal control system and operates in a systematic manner.
- The review of the management of various risks from the major operations is emphasized by requiring a review of the operating procedures control guidelines to guarantee that the company's internal control system is functional. and the ability to keep risks to a manageable level.
- Emphasizes the importance of operating in accordance with the goals, objectives, laws, rules, regulations and requirements. related to the company.

In this regard, the Audit Committee has a term of office of 1 year or the term equal to the number of the Company's Board of Directors. Directors retiring by rotation can be re-appointed to a new position as the Board of Directors deems appropriate

in 2021 The Audit Committee held a total of 5 meetings, of which all directors attended every time. To perform duties as stipulated in the Audit Committee Charter. In addition, the Audit Committee meets with the Internal Audit Department every quarter. To acknowledge and consider the results of the audit and the annual audit plan as well as giving useful suggestions for controlling operations in various fields. There is also an agenda for meetings with external auditors, namely EY Company Limited, to consider the internal control system. About the Company's financial reports The details of operations, review and consideration of various matters in the organization are as follows:

1. Consider and certify the results of the Company's certified public accountant EY Limited's quarterly financial statement review and annual financial statement audit, including timely disclosure of sufficient information by generally accepted accounting principles accounting standard and changes in the Company's important accounting policies, as conducted under international standards. Before presenting to the Board of Directors, the Audit Committee sought explanations from management and the certified public accountant on the pertinent issues and listened to them fully and sufficiently. As a result, the certified public accountant's conclusion that the financial statements are correct as they should be in essence according to widely accepted accounting standards is supported.

2. Reviewed important internal control systems. It was found that the Company had an appropriate, adequate, transparent, efficient internal control system. and effectiveness Able to achieve the objectives and goals of the Company's operations, including having an internal control system that can control risks to an acceptable level. together with suitable changing business environment in the digital economy era.

3. Conduct a review of the internal audit results. which the internal audit unit of the Company is the operator, including supervising the internal audit unit in considering and approving the annual audit plan as well as giving advice to internal auditors to increase efficiency and effectiveness in operating to meet international standards and upgrading the internal audit to be more efficient for sustainable business competition according to the company's policy.

4. Conduct critical risk reviews specified in the annual internal audit plan at the internal audit of the company as a reviewer to be able to manage risks that may affect the organization not meeting its objectives. It is also required to review the internal audit plan. According to the changing risk situation at present, internal audits are effective and to maintain the best interests of the stakeholders.

5. Examine and provide opinions on related transactions or transactions that may have potential conflicts of interest, including the disclosure of the aforementioned transaction. The company transaction is transparent operation, according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. at a reasonable price and has disclosed sufficient, accurate, and complete information.

6. Review the compliance with the laws governing securities and exchange, regulations of the Stock Exchange of Thailand .in order to ensure accuracy and transparency for shareholders and all related parties in accordance with the principles of good governance. and other laws related to the company's business operations, such as Guidelines to Help Support and Develop Quality of Disabled Life, etc.

7. A report on the activities of the Audit Committee is presented to the Board of Directors. acknowledge the regularity of the Audit Committee meetings. to follow the Audit Committee's best practices.

8. For submission to the Board of Directors, there is consideration for selection, nomination, appointment, termination of employment, and remuneration that is appropriate for the Certified Public Accountant's workload. Request the shareholders' meeting's consent.

9. The Audit Committee attended the shareholders' meeting No. 42 on Monday, April 19, 2021 to respond the shareholders' inquiries with transparency in the Company's business management.

From the performance of such duties, the Audit Committee has given importance to the internal control system in the organization. risk assessment operational control and improve the information and communication technology system to be up-to-date with fair performance of duties. be independent There is no limitation in receiving information which has been well co-operated by both the management and related employees. The Audit Committee therefore jointly considered that President Bakery Public Company Limited has a process for preparing financial reports in accordance with generally accepted accounting standards and has not found any items that may have an effect. material impact on the financial statements which has an internal control system internal audit and appropriate, adequate and efficient risk management. Connected transactions are normal business transactions. It was reasonable and did not find any unusual transactions and strictly complied with the Securities and Exchange Act, regulations and other relevant laws.

On behalf of the Audit Committee

(Prof. Dr. Teerawut Bunyasophon)

Chairman of Audit Committee

Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1 One Report) showing in www.set.or.th, www.sec.or.th or in the website of President Bakery Public Company Limited www.farmhouse.co.th

บริษัท เพอร์ซิเดนท์ เบเกอรี่ จำกัด (มหาชน)
PRESIDENT BAKERY PUBLIC COMPANY LIMITED

Office

121/84-85 RS Tower Building 29th Floor,
Ratchadapisek Road, Dindaeng,
Bangkok 10400, Thailand.
Tel : +66 (0) 2209 3000 Fax : +66 (0) 2209 3091-2

Factory Lardkrabang

91 Moo 4, Lardkrabang Industrial Estate,
Chalong Krung Road, Lam Pla Thio, Lardkrabang,
Bangkok 10520, Thailand.
Tel : +66 (0) 2326 5400 Fax : +66 (0) 2326 5463

Factory Bangchan

1, Soi Serithai 87 Bangchan Industrial Estate,
Serithai Road, Minburi, Bangkok 10510, Thailand.
Tel : +66 (0) 2548 1200 Fax : +66 (0) 2548 1290

Customer Service :

Tel. 0-2209-3090 and www.farmhouse.co.th

SOCIAL MEDIA CHANNEL :

FarmhouseThai



Follow New Recipes :

www.farmhouse.co.th/blog