



Let's  
**Freshpiness**  
คุณภาพ ไร้เทียม



**40<sup>th</sup>**  
**ANNIVERSARY**



Form 56-1 One Report 2022

บริษัท เพรซิเดนท เบเกอรี่ จำกัด (มหาชน)  
PRESIDENT BAKERY PUBLIC COMPANY LIMITED



# AWARDS

## World Branding Awards 2021-2022 / 2022-2023



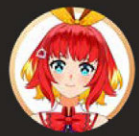
## No.1 Brand Thailand 2021-2022



## อย. Quality Award









# Bake for You



ฟาร์มเฮ้าส์รอยัล หวานนุ่ม อร่อยริช  
#Bakeด้วยใจมาขายอาโป

**Farmhouse**







# ขนมปังรสไอวัลติน ปัตเตอร์สก็อต

#หอมก่อนกิน

#กินก่อนหอม



**Farmhouse**





สั่งเลย!  
ADDLINE   
@farmhousethai

สั่งง่าย รวดเร็ว!  
ส่งภายใน 1 วัน

 **Pung MAN** 

พร้อมให้บริการ 12 สาขา\*  
ในเขตกรุงเทพ และปริมณฑลแล้ว!

- ครีนครินทร์
- ประชาชื่น
- กิ่งแก้ว
- สมุทรสาคร
- สายไหม
- ตลิ่งชัน
- สมุทรปราการ
- พระราม 3
- รังสิต
- พระยาสุเรนทร์
- บางบัวทอง
- ทุกครุ







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# Financial Highlights

## Financial Statements in which the equity method is applied

	2022	2021	2020
<b>Financial Status (Million Baht)</b>			
Total Assets	12,200.98	11,234.20	10,298.89
Total Liabilities	1,267.00	1,093.73	1,049.02
Total Shareholders' Equity	10,933.98	10,140.47	9,249.87
<b>Performance (Million Baht)</b>			
Total Sales	7,528.86	7,159.94	7,143.48
Total Revenues <sup>12</sup>	7,570.97	7,207.61	7,185.94
Cost of sales	4,048.93	3,773.53	3,742.85
Profit for the year	1,706.97	1,687.67	1,678.67
<b>Financial Ratio</b>			
Gross Profit Margin (%)	46.22	47.30	47.60
Net Profit Margin (%)	22.55	23.42	23.36
Return on Equity (%)	16.22	17.41	19.05
Total Assets Turnover (times)	0.65	0.67	0.73
Return on Assets (%)	61.71	59.37	49.37
<b>Stock Data (Baht)</b>			
Par Value per Share	1.00	1.00	1.00
Book Value per Share	24.30	22.53	20.56
Basic Earnings per Share	3.79	3.75	3.73
Dividend per Share	*** <sup>1</sup>	1.90	1.90
Number of Share (million Shares)	450	450	450

<sup>1</sup> Interim dividend for the operating results during the first half-year at the rate of Baht 0.86 per share. Such interim dividend was paid by the profit gained from BOI-promoted business.

<sup>12</sup> Total Revenues excluded Share of profit from investment in joint venture and finance income.

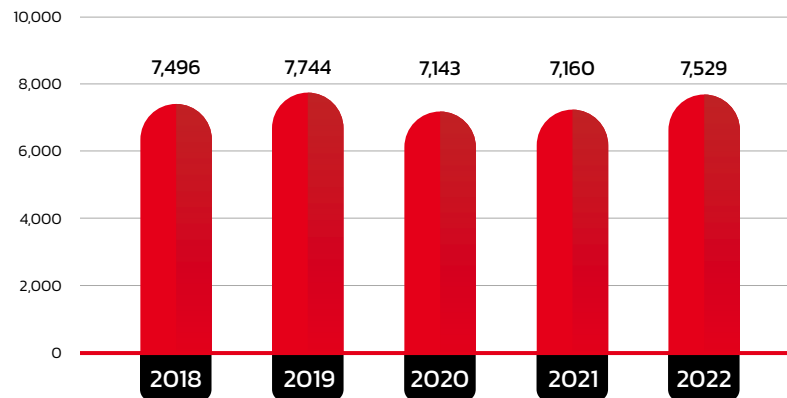






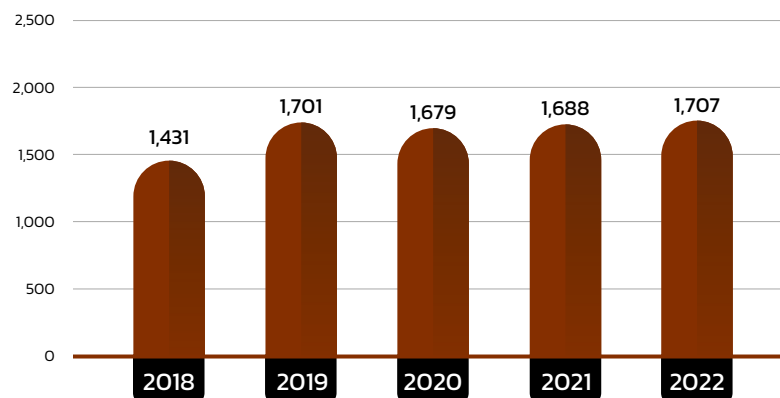
### Total Sales

(Million Baht)



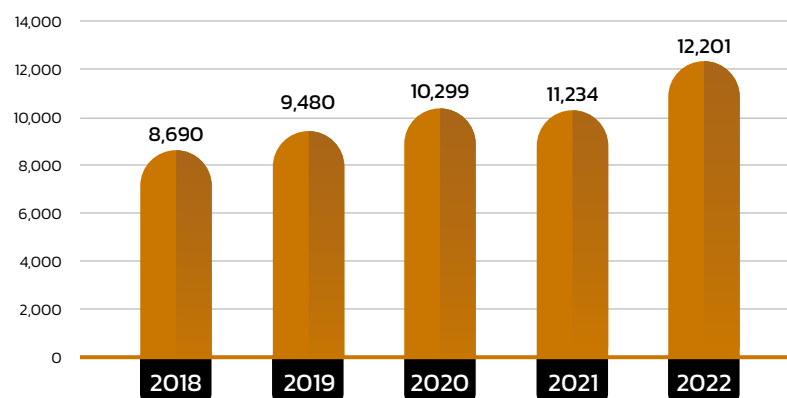
### Profit For The Year

(Million Baht)



### Total Assets

(Million Baht)





# Message from the Board of Directors



The year 2022 is the 40th year that “Farmhouse” has operated the bread and bakery business and has always been a leader. From 40 years ago, Thai people consumed bread in small proportions. Farmhouse has come to offer bread that meets international standards and is nutritious to consumers in Thailand until it has become popular and been the No. 1 brand that has won the hearts of Thai people to this day. This is guaranteed by being awarded the No. 1 Brand Thailand 2021-2022 in the category of bread as the No. 1 popular bread brand among consumers nationwide for the 5th consecutive year, and being ranked as the most popular brand at the Regional Award level in the category of bread for the 2nd year (World Branding Awards 2021-2022 and 2022-2023) of World Branding Awards organized by The World Branding Forum (WBF), England. Since the beginning, Farmhouse has produced quality bread and bakery and has had a variety of styles and flavors that are

always fresh according to the slogan “Made fresh daily”. With the intention of making Farmhouse products be bread and bakery that is in the hearts of Thai people and full of benefits and delicious taste, the Company has established 4 development strategies as follows:

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







The occurrence of various crises such as epidemics, wars, droughts, political and economic problems, as well as rapid technological changes with more or fewer impacts on the business, have compelled the Company to adapt to the situation and operate the business with prudence to ensure steady growth and sustainable progress.

For the Company's performance in 2022, the Company had sales revenue of 7,528.86 million baht, an increase of 368.92 million baht or 5.15 percent from the year 2021, in which the price of main raw materials to produce products increased and rising world energy prices also have an impact on the Company's important delivery costs. However, the Company still maintains production standards for quality products for the benefits of consumers and manages the use of fuel for efficiency in order to achieve the greatest value, including helping to reduce environmental pollution which is the matter that the Company has always been aware of the importance of. The Company is also ready to focus on Digital Transformation Continue to apply innovations in the management of production processes, sales, and delivery of goods and other work. As a result, net profit in 2022 amounted to 1,703.41 million baht.

For current and future trends, people have become increasingly health-conscious, recognizing the importance of good food as a cornerstone of good health. At Farmhouse, we take pride in contributing to the creation of healthy lifestyles for our consumers. To this end, we are committed to developing nutritious products that are not only healthy but also delicious, bringing smiles and happiness to our customers.

Simultaneously, the Company has recognized the significance of sustainable development and has focused on improving its business operations while also prioritizing environmental and social responsibility, and adhering to the principles of good governance, which is known as "ESG" (Environmental, Social, and Governance). The Company places emphasis on managing the entire value chain of its business, from upstream to downstream, maintaining transparency in business operations, continuously developing innovation, and taking responsibility for the community, society, and environment. The Company has also instilled the ESG process into the sustainable culture of the organization by encouraging personnel to adopt behaviors that reflect an awareness of the importance of ESG in all operational processes. This ensures that sustainable development is prioritized, and economic, social, and environmental values are created in the organization's business chain.

Over the past 40 years, Farmhouse has grown and navigated through various crises, thanks to the unwavering support of our customers, the cooperation and unity of our employees, executives, and Board of Directors, good business partners, and the trust of our shareholders. This collective support has been a driving force behind Farmhouse's growth and success, enabling us to face future challenges with stability, strength, and sustainability.

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

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

**Mr. Apisate Thammanomai**  
Managing Director





## Board of Directors



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



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



**Mr. Apisate Thammanomai**  
Managing Director



**Mr. Vichai Kulsomphob**  
Director



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



**Miss Panida Prayottaweekij**  
Director  
and Assistant Managing Director



**Dr. Pojjanee Paniangvait**  
Director



**Mr. Pun Paniangvait**  
Director



**Miss Saipin Kittipornpimol**  
Director  
and Assistant Managing Director



**Miss 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. Dr. Piyamitr 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



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



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



**Prof. Dr. Piyamitr 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 32<sup>nd</sup> Annual General Meeting of Shareholders resolved to approve the Company to change the par value of ordinary shares from the original par value of 10 baht per share to a par value of 1 baht per share. The shares has increased from 45 million shares to 450 million shares. The Company registered the change in par value with the Ministry of Commerce on 12 May 2011.

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

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

1. Wholesale bakery business. The selling products are such as sliced breads, burger buns, hot dog buns, 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. The selling products are such as burger buns, hot dog buns, sliced breads, French breads, croissants, biscuits and pizza dough. These products are being sold to restaurants such as McDonald's, KFC, Pizza Hut, Burger King, Chester's Grill, The Pizza Company, Sizzler, etc., as well as fried products such as breadcrumbs.
4. International sales (through domestic traders) bread crumb products Including sliced bread ready-to-eat bread and other bakery

### 1.1.1 Vision, Mission and Core Values

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





## Vision

Being the leader of bakery and food manufacturer and distributor with clean, fresh, safe and nutritional 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



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





## Objectives and Long-term Goals in Business Operations

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

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

### 1.1.2 Major Changes and Developments

#### Significant developments in the past 3 years

##### Year 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.

### Year 2022

- The Company introduced a new brand ambassador named Fumi Hausu, a Japanese anime avatar, in response to the growing trend of the digital world and metaverse.
- The Company made an investment of 180 million baht in Hydrogen Freehold and Leasehold Real Estate Investment Trust Units.
- The Company invested 35 million baht in ordinary shares of King Square Development Company Limited, amounting to 40,000 shares with a par value of 1,000 baht per share, covering 87.5% of the total shares.
- The Company made a strategic decision to purchase a land in Pattani to build a distribution center instead of continuing to rent. As of the end of 2022, the Company owned 20 distribution centers and leased 28 additional locations across all regions.
- In 2022, the Company focused on improving to increase the efficiency of data management and analysis by focusing on improving the Business Intelligence (BI) program and improving the Interface screen to be able to analyze data more accurately. This includes improving the infrastructure system, such as increasing the size of the channel and speed of data transmission to increase the ability to receive sales data from the field to analyze and control product sales and product return management to be more efficient, supporting the expansion and changes in consumer behavior of customers according to the current economic situation. In addition, the information security system has been improved to be more secure both in terms of programs and procedures to support the Computing Act with announcement.
- On September 30, 2022, the Company was certified for the renewal of membership in the Thai Private Sector Collective Action Against Corruption (CAC) for the 2<sup>nd</sup> time.

### 1.1.3 Use of proceeds from debentures offering

- None -

### 1.1.4 Commitments stipulated in the debenture registration statements

- None -







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





## 1.2 Nature of Business

### 1.2.1 Revenue Structure

Product / Services	2022		2021		2020	
	Thousand	%	Thousand	%	Thousand	%
<b>1. Wholesale Bakery Business</b>	<b>6,810,460.44</b>	<b>89.95</b>	<b>6,570,942.04</b>	<b>91.17</b>	<b>6,532,742.05</b>	<b>90.91</b>
1.1 Sliced Bread	3,628,231.23	47.92	3,615,860.25	50.17	3,428,618.94	47.71
1.2 Burger Bun and Hot Dog Bun	90,675.47	1.20	84,182.39	1.17	57,635.76	0.81
1.3 Snack Bread	1,760,883.12	23.26	1,714,397.00	23.79	1,955,436.97	27.21
1.4 Snack Cake	1,070,947.68	14.15	905,788.42	12.57	860,820.55	11.98
1.5 Sweet Bakery and Confectionery	259,722.94	3.43	250,713.98	3.48	230,229.83	3.20
<b>2. Retail Bakery Business</b>	<b>117,505.36</b>	<b>1.55</b>	<b>97,860.10</b>	<b>1.36</b>	<b>107,276.06</b>	<b>1.49</b>
2.1 Deliya	30,952.59	0.41	20,223.40	0.28	19,028.64	0.26
2.2 Madame Marco	86,552.77	1.14	77,636.70	1.08	88,247.38	1.23
2.3 Good Morning Farmhouse	-	-	-	-	3,987.41	-
<b>3. Fast Food &amp; Catering</b>	<b>551,893.05</b>	<b>7.29</b>	<b>409,279.42</b>	<b>5.68</b>	<b>426,099.48</b>	<b>5.93</b>
3.1 Fast Food & Catering	524,949.37	6.93	383,168.75	5.32	399,488.62	5.56
3.2 Fried Products	26,943.68	0.36	26,110.67	0.36	26,610.86	0.37
<b>4. Export (Through Domestic Traders)</b>	<b>49,000.82</b>	<b>0.65</b>	<b>81,855.73</b>	<b>1.14</b>	<b>77,359.54</b>	<b>1.08</b>
Total Revenues from Core Business	7,528,859.67	99.44	7,159,937.29	99.34	7,143,477.09	99.41
<b>5. Other Income</b>	<b>42,108.96</b>	<b>0.56</b>	<b>47,675.20</b>	<b>0.66</b>	<b>42,459.65</b>	<b>0.59</b>
<b>Total Revenues</b>	<b>7,570,968.63</b>	<b>100.00</b>	<b>7,207,612.49</b>	<b>100.00</b>	<b>7,185,936.74</b>	<b>100.00</b>

**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 (Through Domestic Traders)

- Fried Products
- Sliced Bread
- Burger Buns and Hotdog Buns
- Snack Bread
- Snack Cake
- Confectionery





## 1. Wholesale Bakery Business

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

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

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

### 1.1 Sliced Bread

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

#### (1) White Bread

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

## Sliced Bread



Sliced Bread



Hokkaido  
Milk Flavoured Bread



White Bread







## (2) Grain Bread

Grain bread is a type of bread that contains various grains to increase its nutritional value. This is in line with the lifestyle of Thai people, who are increasingly interested in their health, specifically the selection of good food products for health. Products in this group are 500 grams of whole wheat bread, 250 grams of whole-wheat bread, and 250 grams of finely milled whole-wheat bread which are suitable for children and health-conscious customers who do not like the texture of the original whole-wheat bread. The last one makes it easier to consume whole-wheat bread. There are also Royal Whole Wheat, 285 grams of thickly sliced whole wheat bread, Royal 12 Grain, bread with 12 kinds of grains, and thickly sliced soft 285 grams of bread full of various grains and benefiting from the special formula that is thick, soft, and tasty. Lastly, Royal Germinated Rice is a 280-gram soft whole-grain bread mixed with germinated rice, acquiring GABA.

There are 4 products that received the Health Choice symbol: 500 grams of whole wheat bread, 250 grams of whole wheat bread, 250 grams of fine wheat bread, and germinated rice cereal 280 grams of whole grain bread with soft sprouted rice.

## (3) Flavored Bread

It is the Company's new type of sliced bread with built-in flavor that can be eaten alone or used to cook a variety of dishes to increase consumers' eating choices. Products in this group are butterscotch bread and raisin bread. In 2022, the company had the new product, Ovaltine Butterscotch Flavored Bread that is unique and unprecedented.



Whole Wheat Bread



Fine Whole Wheat Bread



Raisin Bread



Ovaltine Butterscotch Flavoured Bread



Butterscotch Bread



Royal Bread



Royal Whole Wheat



Royal 12 Grain



Royal Sprouted Grain





## 1.2 Burger Bun and Hot Dog Bun

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

## 1.3 Ready-to-eat bread (Snack Bread)

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

and many flavors suitable for all target groups including students, working people, and everyone. Products in this group include 4 flavors of deli sandwiches, 3 flavors of sweet sandwiches, 11 flavors of bread with sweet and meat fillings, 9 flavors of mini sweet bun, 5 flavors of spread, 4 flavors of flatbread, 2 flavors of loaf, 5 flavors of sweet and meat hotdog bun, 5 flavors of sweet mini hotdog, 6 flavors of triangular sandwiches. In 2022, there are new products such as Cookies and Cream Filled Hot Dog Bun, Loft Mocha Butterscotch Flavoured Bread, Ovaltine Crunchy & Milk Butter Filled Two Tone Sandwich, Milk Butter & Strawberry Two Tone Sandwich, Chocolate & Strawberry Two Tone Sandwich and Crab Stick Chili Paste Daily Sandwich.

### Burger Bun and Hot Dog Bun



Hot Dog Roll

Burger Bun with  
Sesame SeedTop Sliced  
Hot Dog Roll

### Snack Bread

Ovaltine Crunchy  
& Milk Butter  
Filled Two Tone  
SandwichMilk Butter  
& Strawberry  
Filled Two Tone  
SandwichChocolate  
& Strawberry  
Filled Two Tone  
SandwichTuna  
Mayonnaise  
Daily SandwichShredded Pork  
Mayonnaise  
Daily SandwichShredded  
Chicken  
Chili Paste  
Daily SandwichCrab Stick  
Mayonnaise  
Daily SandwichCarb Stick  
Chili Paste  
Daily SandwichTuna Corn Salad  
Whole Wheat  
SandwichHam & Egg  
Mayonnaise  
Whole Wheat  
SandwichTuna  
Mayonnaise  
SandwichCrab Stick  
Mayonnaise  
SandwichShredded Pork  
Mayonnaise  
SandwichSausage Spicy  
Pizza Sauce  
SandwichThai Custard  
Filled  
Sweet  
SandwichChocolate  
Filled  
Sweet  
SandwichMilk Butter  
Cream With  
Almond Filled  
Sweet  
Sandwich



Hokkaido Milk  
Flavoured Cream  
Spread Bread



Chocolate  
Spread Bread



Butter  
Spread Bread



Thai Custard  
Spread Bread



Mixed Berry  
Flavoured  
Spread Bread



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



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



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



Cookies  
and Cream  
Filled Hotdog  
Bun



Butter Bread



Taro Bread



Coconut Pandan  
Flavoured  
Bread



Cocoa  
Flavoured  
Bread



Loaf Chocolate  
Chip Raisin Cocoa  
Bread



Loaf Raisin  
Bread



Loaf Mocha  
Butterscotch  
Flavoured Bread







## 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 distributes consists of 3 flavors of banana cake: banana cake, almond banana cake, and chocolate chip banana cake. 5 flavors of roll cake are coffee flavored roll cake, pandan flavored roll cake, orange

flavored roll cake, vanilla flavored roll cake, and Hokkaido milk flavored roll cake. Dorayaki has 5 flavors: custard cream filling dorayaki, chocolate filling dorayaki, dorayaki filled with almond cream, dorayaki with chocolate chip cream, and dorayaki with Ovaltine crunchy. Sandwich cake comes in 3 flavors: vanilla, pandan, and coffee. Cake Donut comes in 4 flavors: vanilla custard, chocolate custard, custard, and coffee custard. There are also 2 flavors of mochi cake: almond milk mochi cake and double chocolate mochi cake. In 2022, there is a new product which is Cookies and Cream Flavoured Sandwich Cake.

### Snack Cake



Coffee  
Custard Filled  
Donut Cake



Chocolate  
Custard Filled  
Donut Cake



Vanilla  
Custard Filled  
Donut Cake



Thai  
Custard Filled  
Donut Cake



Almond Milk Butter  
Mochi Cake



Double Chocolate  
Mochi Cake



Cake Roll  
Hokkaido Milk Flavored



Cake Roll  
Vanilla Flavoured



Cake Roll  
Pandan Flavoured



Cake Roll  
Coffee Flavoured



Cake Roll  
Orange Flavoured



Sandwich Cake  
Cookies  
and Cream  
Flavoured Cake



Sandwich Cake  
Vanilla  
Flavoured Cake



Sandwich Cake  
Pandan  
Flavoured Cake



Sandwich Cake  
Coffee  
Flavoured Cake



Ovaltine Crunchy  
Filled  
Dorayaki



Chocolate  
Filled  
Dorayaki



Creamy Almond  
Filled  
Dorayaki



Chocolate Chip  
Cream Filled  
Dorayaki



Cream Custard  
Filled  
Dorayaki



Chocolate Chip  
Banana Cake



Almond  
Banana Cake



Banana Cake



Choco  
Banana Cake





## 1.5 Other Bakeries

Products in the group confectionery consists of mini butter biscuits, available only through small store (traditional retail) channels, buttered biscuits, butter raisin biscuits, and cookies with 4 flavors: butter cookies, mixed fruit cookies, raisin cookies, and chocolate chip. 4 flavors of butter cookies: vanilla butter cookies, chocolate butter cookies, Hokkaido milk butter cookies, and mocha almond butter cookies. 3 flavors of fruit pies: pineapple, strawberry fruit pie, and blueberry fruit pie. The products in the Pie (Pastry) group consist of pineapple filling pies, taro filling pies, and chocolate filling pies. In 2022, there is a new product which is Corn Pie.

## 1.6 Farmhouse Vending Machine

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

## 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.

## Confectionary



Cookies  
Butter Flavoured



Cookies  
Fruit Flavoured



Cookies  
Raisin Flavoured



Cookies with  
Chocolate Chip



Butter Cookies  
Mocha Almond



Butter Cookies  
Hokkaido Milk



Butter Cookies  
Vanilla



Butter Cookies  
Chocolate



Butter Toast



Raisin  
Butter Toast



Mini  
Butter Toast



Pineapple  
Fruit Pie



Strawberry  
Fruit Pie



Blueberry  
Fruit Pie



Chocolate Pie



Taro Pie



Pineapple Pie



Corn Pie



Farmhouse Vending Machine



Farmhouse Delivery



## 1.8 Good Morning Farmhouse

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

## 2. Retail business

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

### 2.1 Deliya

From the Company's policy 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 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 2022, there are 7 branches at RS Tower Ratchada, The Mall 3 Ramkhamhaeng, Paradise Park, The Mall Bangkok, Boonthavorn Kaset-Nawamin, Tops Central Rama 9, Muang Thai - Phatra.



Good Morning Farmhouse



## 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 distribution channels by opening Madame Marco Shops which, at the end of 2022, has a total of 21 branches, including Siam Paragon, The Mall Ngamwongwan, The Mall Bang Khae, The Mall Bangkok, The Mall Tha Phra, Paradise Park, Fashion Island, Crystal Ratchaphruek, The EmQuartier Tops, Central Pinklao Tops, Central Westgate Tops, Central Bangna Tops, Central Rama 3, Tops Central East Ville, Tops Central Ladprao, Terminal 21 Asoke, Siam Takashimaya, Terminal 21 Rama 3, Central Rama 2, Empire Tower Sathorn, and Tops Future Park Rangsit

In 2022, Delivery Lineman channels are also provided to meet the needs of consumers.

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](https://www.facebook.com/madamemarco.co.th)

Line ID : @madamemarco Instagram : madamemarcothai







### 3. Fastfood

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, Mos Burger (From Japan), Minor Food Group, namely Burger King, Sizzler, The Pizza Company, etc., as well as restaurants and coffee shops such as The Coffee Club, S&P, which are all famous restaurants with the highest sales around the world, including Thailand.

#### 3.1 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. As well as other products such as French bread, croissants, biscuits and other products developed to satisfy customers. At present, the company is regarded as the largest supplier of bread products in the country.

### 3.2 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 (Through Domestic Traders)

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



Fast Food



Special Formula  
Bread Crumbs



Bread Crumbs





## Marketing and Competition

### (1) Marketing

#### 1.1 New products

In 2022, the Company launched 9 new products to increase consumer choice, including:

1. Ovaltine Butterscotch Flavoured Bread
2. Corn Pie
3. Cookies and Cream Filled Hot Dog Bun
4. Cookies and Cream Flavoured Sandwich Cake
5. Loaf Mocha Butterscotch Flavoured Bread
6. Ovaltine Crunchy & Milk Butter Filled Two Tone Sandwich
7. Milk Butter & Strawberry Two Tone Sandwich
8. Chocolate & Strawberry Two Tone Sandwich
9. Crab Stick Chili Paste Daily Sandwich

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

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

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

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

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

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

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

### Development of Production Process Standards and Quality Control

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





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

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

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

#### **1.1 Choosing Natural Preservatives:**

Throughout the past 3-4 years, the Company has been committed to continuous research and development of product quality, starting with selecting good ingredients and choosing to substitute preservatives derived from synthetic chemicals with natural preservatives to maintain the product quality and safe shelf life for consumers. As bakery products have a short shelf life because of their high humidity, natural preservatives help prevent the growth of bacteria, yeasts, and molds, providing nutritional value for the products throughout their life and supporting the entire supply chain from production to transportation from the factory to the distribution center and stores to consumers.

### **1.2 Development of healthier alternative products (Healthier Choice)**

is conducted by researching and developing new products and improving the quality of existing products to be more nutritious to meet the needs of customers who are more health conscious. The Company's products have passed the criteria for receiving the symbol “Healthier Choice” that the Food and Drug Administration has set to control the amount of sugar, fat, salt (sodium), and dietary fiber in an appropriate amount. However, in addition to their benefits, the aforementioned products are also beneficial to your health. The Company also takes into account deliciousness, smell, taste, good texture, and consumer needs, focusing mainly on products that have been researched, developed, and improved in quality. The product quality must pass the sensory test from a group of general testers and expert testers to obtain quality, delicious, and nutritious products and meet the consumer needs as much as possible.

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

It is the most internationally recognized sustainable palm oil production standard covering all sustainability dimensions of economic, social, and environmental aspects.

#### **1.4 Cleaner Label Products:**

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







### **1.5 Increasing the Scope of New Product Development:**

In the past 2-3 years, the product research and development department has developed new products for the group of 2 businesses which are products under the trademark "Madame Marco and Deliya," resulting in higher sales than before. The products also help expand the market for bakery products and meet the needs of a wider group of consumers.

### **1.6 Sensory Quality Assessment (Sensory Test)**

In 2022, the sensory quality analysis department organizes training in Beginner and Intermediate classes for general employees to find personnel with exceptional abilities in sensory quality assessment who were chosen to be expert testers, 3rd generation. In addition, a texture profile analysis study was conducted, which simulated the use of teeth-grinding food by a texture analyzer in sliced bread products throughout the shelf life to use the data to improve product quality and develop new products.

## **Quality Control and Assurance**

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

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

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

Microbiological analytical laboratories have improved their capabilities and introduced Alternative Rapid Methods to inspect the quality of finished goods and ingredients to replace standard methods or conventional methods, representing 49% of the total samples submitted for analysis, to increase the efficiency and potential of the laboratory. As a result, test results for bacteria, yeast, and fungi can be obtained within 24 - 48 hours, and preparation time and complex assay procedures in microbial agar preparation can be reduced by 50%, resulting in 37% less energy use, 39% less water use, 37% less greenhouse gas emissions, and 32% less laboratory waste (by weight and volume) compared to the total number of samples analyzed by the laboratory, including the international standard certification system ISO/IEC 17025.

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

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





deterioration before expiration. The air sampler is an accurate and reliable air monitoring technology that is used in a variety of industries that require high quality control

such as the pharmaceutical industry, the baby milk powder industry, the operating room in a hospital (clean room), etc.

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

2020	2021	2022
5.50 million baht	5.90 million baht	6.05 million baht

### Garbage and Waste or Industrial Waste Management

The Company has a policy to reduce garbage and waste arising from the production process, and increase the ability to utilize industrial waste according to the 3Rs principle by focusing on reducing the amount of waste occurring in the production process (Reduce) such as by changing the procurement of external packaging to pack ingredients in a big bag to in silos instead, promoting the reuse of plastic containers in the factory (Reuse), bringing plastic bags to be reprocessed (Recycle), etc. The Company also requires separating diverse types of waste with a separate storage area according to the type of waste and makes reports to government agencies, such as the notification of waste or unused material details for the generator of waste or unused materials (SG.3). The Company has a policy and determination to be an industry that conducts business that is environmentally friendly, including conserving resources and energy. It has

established and announced a comprehensive environmental policy (revised in 2022) to encourage each department to cooperate in the operation and pay attention to the awareness of problems and impacts on the environment. At present, each department has prepared several projects that are environmentally friendly, such as the logistics department's green transportation project, etc. As a result, the Company can apply for green industry certification, level 2 of the Green Activity, in accordance with government policy, the Ministry of Industry, and the Industrial Estate Authority of Thailand, which promotes eco-industry development and green industry projects. For sustainable organizational development, the Company focuses on continuously developing and improving production processes and related production technologies, as well as conducting business with social responsibility both inside and outside the organization throughout the supply chain.





## Marketing Activities

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

In 2022, the Company has allocated a budget for marketing activities and effective communication with consumers by continuously releasing commercials by dividing the advertisements on television, online, and with various influencers, including creating a virtual brand ambassador like Fumi Hausu, a VTuber to communicate with teenage fans, and using the annual rising star presenters Mile Phakphum and Apo Nattawin as well as the former Miss Universe Thailand 2020, Amanda Obdam, to celebrate the grand 40th anniversary of the Farmhouse. This helps to promote the image and products of the Company to a variety of target groups.

The coronavirus 2019 (COVID-19) situation has subsided this year, but the economic situation remains unstable. Currently, the epidemic of Coronavirus Disease 2019 (COVID-19) has led to a change in consumer behavior, with more adjustments to online shopping. Instead, consumers are accustomed to buying daily necessities and other goods online. The pandemic has resulted in lockdowns and social distancing, making people avoid shopping in department stores or stores.

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

Based on the aforementioned, the Company has conducted promotional activities, provided promotions, and expanded distribution channels as well as performed activities for society, obtained awards, and introduced new innovation in 2022 as follows:

### 1. Farmhouse Delivery

Delivery service to consumers by ordering products through online channels at website: <https://shop.farmhouse.co.th>, LINE OA: @Farmhousethai, starts at 150 baht with free delivery nationwide. There is an incentive to buy products by organizing promotions to discount product prices and monthly rotate product types, which are some of the sold or new products that are not available in general stores such as mini buns, French bread, non-sliding rows of bread, and so on. There are also special products for customers to shop according to their needs according to occasions, festivals, or ceremonies, such as merit-making sets, value sets, cheaper pair sets, and others. This project has continuously generated income for the Company. Also, the Company has added a special express delivery service within 1 day, Pung Man, starting in Bangkok.

### 2. The 26<sup>th</sup> Saha Group Fair at BITEC Bangna

The Company has organized a booth to show products and sell them at special prices from brands within the group such as Farmhouse, Deliya, Good Morning Farmhouse, and Madame Marco. Furthermore, the Farmhouse Cosplay Contest 2022, a contest for cosplay from various cartoons and games regardless of gender and age, is organized on July 3, 2022, at the central stage of BITEC Bangna to add color to the event and opportunities for young people as well as those who want to express their creativity with fun.



**Activity Photos :** The 26<sup>th</sup> Saha Group Fair at BITEC Bangna







### 3. Meet & Greet FHxMileApo Big Surprise Event

Farmhouse grabbed the hottest Y-type imagined couple, Mile Phakphum Romsaithong and Apo Nattawin Wattanagitiphat, 2 handsome men from Kinn Porch the Series to become the brand's first presenters to launch the new product Ovaltine Butterscotch Bread. In addition, the Company took advantage of the opportunity to organize a very exclusive FHxMileApo Big Surprise fan meeting for only 300 people, offering a full range of activities for everyone to enjoy throughout the event, including a special guest "Barcode Tinnasit Isarapongporn" who joined to create colors and scream. It also sent out tweets with the hashtag #FHMeetAndGreetxMileAPO, which rises to No. 1 in Thailand and Vietnam. The Company hosted the official launch of the presenters at the 26<sup>th</sup> Saha Group Fair held on June 30, 2022, at BITEC Bangna.

### 4. Port F.C. Support

Farmhouse supports Port F.C. by being a sponsor throughout this season at the 2022/2023 Port F.C. launch event with snacks provided to fans in a Friendly Match between Port F.C. VS Custom United at Pat Stadium.



**Activity Photos :** Meet & Greet FHxMileApo Big Surprise Event



**Activity Photos :** Port F.C. Support





## 5. Bangkok-Korat Friendly Orchestra Support

Farmhouse distributed 4,000 pieces of bread to cheer the 4 Bangkok-Korat orchestras. In the end, it made everyone feel full for the “Bangkok-Korat Orchestra Championships” held yesterday (July 31, 2022) at Indoor Stadium Huamark, Bangkok. More than 4,000 students and spectators came to watch and join in cheering for the youth orchestra of all 4 schools, namely Wat Suthiwararam School and Wachiratham Sathit School from Bangkok as well as Suranaree Witthaya School (Korat) and Ratchasima Wittayalai School from the Nakhon Ratchasima who come to compete and show their musical potential in a fun way to fully impress the cheers. It was an honor having Associate Professor Chadchart Sittipunt, the Governor of Bangkok, to received 4,000 pieces of Farmhouse Bread from Mr. Apisate Thammanomai, Deputy Director of President Bakery Public Company Limited, a manufacturer and distributor of “Farmhouse” products.

## 6. Sponsorship of the 13<sup>th</sup> Ju-Jitsu Thailand Championship

Farmhouse sponsored the 13<sup>th</sup> Ju-Jitsu Thailand Championship of 2022. Farmhouse sponsored 1,000 pieces of bread for snacks for the contestants and team members in various parts. The competition was held at Building 14, the Recreational Building, Sports Center of Rangsit University.



**Activity Photos :** Bangkok-Korat Friendly Orchestra Support



**Activity Photos :** Sponsorship of the 13<sup>th</sup> Ju-Jitsu Thailand Championship







## 7. Farmhouse's Donation of 500,000 baht to the AIDS Foundation

Farmhouse, Mr. Bank-Apiset Thammanomai, President of Bakery Public Company Limited, donated 500,000 baht to the AIDS Foundation of Thailand-TNAF with Dr. Chaiyot Kunanuson, Director and Secretary of AIDS Foundation of Thailand- TNAF, Miss Yenjit Sompho, Executive Director, of AIDS Foundation of Thailand- TNAF, and Mr. Krittaporn Termwanich, Manager of Pripta Tangerine Clinic, Institute for HIV Research and Innovation, jointly receiving the donation which is the profit from the auction of the limited jacket with autographs of Mile Phakphum Romsaithong and Apo Nattawin Wattanagitiphat, 2 young presenters of Farmhouse, at the Kinn Porche The Series memorabilia auction.

## 8. Farmhouse with the 5 For All Foundation

Farmhouse, in collaboration with the Five for all Foundation, promotes and supports the disabled, the elderly, and the underprivileged to organize activities to build morale and skills and doing virtuous deeds for society under various projects in order to open new perspectives for people with disabilities and encourage them to live with others in society normally. The Company also provides knowledge to support and develop people with disabilities and their families, strengthen morale, and create a strong family network to take care of each other which will be a sustainable development and happiness after COVID to increase power in the lives of the disabled and the underprivileged to be happy. The Company also supports food. In addition, all the kind supporters who contributed to the activities to strengthen the morale of the disabled, including all the volunteers who participated in the activities throughout the project, helped create smiles, laughter, and good experiences for all people with disabilities participating in this project.



**Activity Photos :** Farmhouse's Donation of 500,000 baht to the AIDS Foundation



**Activity Photos :** Farmhouse with the 5 For All Foundation





## 9. V-Matsuri Fair and Event for Cosplayers

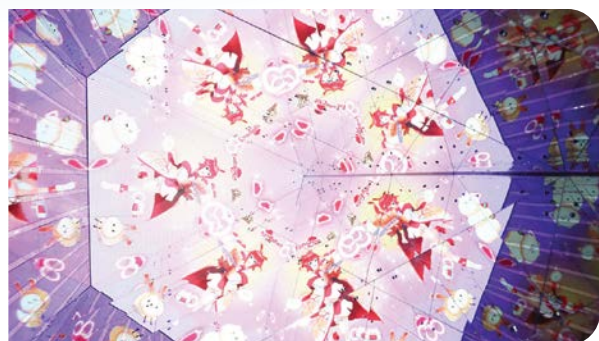
Farmhouse launches 'Fumi Hausu' as the first anime brand ambassador in the Food & Beverage category, reflecting the freshness that meets consumer needs in the digital age. This is the first time that Fumi Hausu appears and meets the VTubers from all over the world and fans of Fumi in V-matsuri, a festival fair and event for cosplayers, at the Market Bangkok. There are also souvenirs such as standees, acrylic, Ko Kung bread, Fumi shirts, and Farmhouse bread pillows available for Nong Fumi's fans to choose and shop.

## 10. Illumination and Luminaire Event at Icon Siam Department Store

Farmhouse has worked with the Icon Siam department store to support the 2022 year-end lighting festival "ICONSIAM BANGKOK ILLUMINATION 2022" which will create colors to welcome the cold breeze at the end of the year with a great lighting festival along the Chao Phraya River such as the ICONSIAM Christmas tree under the concept "Bai Sri Su Kwun" along the Chao Phraya River where you can take pictures for free. In addition, on the 2<sup>nd</sup> floor of ICONSIAM Park, you will find more than 9 chic photo corners with spectacular lights, colors, and sounds ready to celebrate the 40<sup>th</sup> anniversary of the Farmhouse with a BUN BUN SWING photo spot with METAVERSE lighting style, a VIRTUAL PRESENTER, Fumi, and the hottest presenters Mile-Apo from November 1 to December 25, 2022, on Monday-Friday at 14:00-20:00 and on Saturday and Sunday at 11:00-21:00.



**Activity Photos :** V-Matsuri Fair and Event for Cosplayers



Mr. Apisate Thammanomai and Marketing team attended the ICON SIAM Illumination and Luminare 2022





## 11. Farmhouse Royal Grand Opening x MileApo Event

Farmhouse, the No. 1 bread brand, organized the Farmhouse Royal Grand Opening x MileApo event by introducing Mile and Apo as presenters of Farmhouse for the 2nd year along with revealing advertisement of the campaign Farmhouse Royal Bread under the concept Bake for You #Bake with the heart of MileApo. The event used the hashtags #RoyalGrandOpeningFHxMileApo, which trended at No. 1 in Thailand with a total of 1.5M tweets, with a full range of activities to serve the fans with extremely happy moments to celebrate the 40<sup>th</sup> anniversary and the Christmas festival of happiness at River Park ICONSIAM on December 24, 2022.

## 12. Central World Countdown 2022 Event

Farmhouse has joined the Farmhouse shop event to sell special products from the virtual brand ambassador of the Farmhouse, "Fumi Hausu," and to sell toasts to celebrate Christmas and the New Year from November 9, 2022, to January 1<sup>st</sup>, 2023.



**Activity Photos :** Farmhouse Royal Grand Opening x MileApo Event



**Activity Photos :** Central World Countdown 2022 Event







### 13. Marketeer No.1 Brand Thailand 2021-2022 Award

President Bakery Public Company Limited, under the brand “Farmhouse,” received the award “Marketeer No.1 Brand Thailand 2021-2022,” for the brand that is the most popular in Thailand in various categories from the survey results of product consumption behavior and consumer information received across the country. Farmhouse received the award in the category of bread for 5 consecutive years, emphasizing the product quality that is clean and fresh and has won the hearts of consumers for more than 40 years.

### 14. World Branding Awards 2021-2022

President Bakery Public Company Limited, under the brand “Farmhouse,” also received the World Branding Awards 2021-2022 from England in the Bread and Bakery category, which is a guarantee of the Farmhouse standpoint as Thailand's No. 1 bread brand.



Mr. Apisate Thammanomai and Marketing term received award “Marketeer No.1 Brand Thailand 2021-2022” Bread Number 1 in Thailand



Mr. Apisate Thammanomai received award “World Branding Awards 2021-2022”







## 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 36,709 traditional retail stores as of 31 December 2022. 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 2022, there are 24,593 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**

### 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 2,666 branches as of 31 December 2022, 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 2022-2021

Raw Materials / Packaging	2022		2021	
	Thousand Baht	%	Thousand Baht	%
1. Wheat Flour	1,260,674.59	43.76	1,018,218.84	39.71
2. Fat	464,422.32	16.12	435,257.17	16.97
3. Sugar	164,369.75	5.71	180,382.53	7.03
4. Yeast	64,391.92	2.24	65,358.74	2.55
5. Agricultural and Meat Products	434,918.09	15.10	396,153.95	15.45
6. Other Raw Materials	211,748.06	7.35	182,699.44	7.12
7. Packaging	280,369.43	9.73	286,387.69	11.17
<b>Total</b>	<b>2,880,894.16</b>	<b>100.00</b>	<b>2,564,458.36</b>	<b>100.00</b>

The Company's proportion of purchasing ingredients and packaging from domestic ingredient sources and the Company's direct imports from abroad during the years 2022-2021 is as follows:

Raw Materials Source/ Packaging Source	2022		2021	
	Thousand Baht	%	Thousand Baht	%
1. Domestic	2,652,482.00	92.07	2,335,698.20	90.25
2. Abroad	228,412.15	7.93	228,760.16	9.75
<b>Total</b>	<b>2,880,894.16</b>	<b>100.00</b>	<b>2,564,458.36</b>	<b>100.00</b>

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

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

- (1) In the purchase of both ingredients and packaging for the Company to be competitive in terms of quality, price, and service, the Company must have multiple vendors from which to purchase ingredients and packaging at the best prices.
- (2) Improvements in production processes and formulas in order to be able to manage costs more effectively.
- (3) Every new vendor must pass ingredients and packaging tests for chemical, physical, and taste characteristics, as well as undergo a preliminary factory evaluation before being listed on the AVL (Approved 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 2022, 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 2022, the Company had 48 distribution centers, with 12 in Bangkok and its surrounding areas and 36 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, Prachin Buri, Chanthaburi
Northeast	Nakhon Ratchasima, Khon Kaen, Udon Thani, Sakon Nakhon, Surin, Roi Et, Ubon Ratchathani, Loei, Chaiyaphum
Central	Ayutthaya, Lopburi, Suphanburi, Saraburi
Southern	Chumphon, Suratthani, Koh Samui, Nakhon Si Thammarat, Krabi, Phuket, Hat Yai, Trang, Pattani
Western	Nakhon Pathom, Kanchanaburi, Hua Hin

#### 4) Assets used in business operations

##### 4.1 Main fixed assets used in business operations

Types/Descriptions	Types of Ownership	Net worth after depreciation (Million baht)	Encumbrance (Million baht)
1. Land	Owned by the Company	1,286.07	None
2. Buildings and structures	Owned by the Company	1,049.08	None
3. Machinery and equipment	Owned by the Company	685.16	None
4. Property during installation	Owned by the Company	101.10	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 2022, the Company had purchased land in Pattani for the construction of three distribution centers. There are 48 distribution centers located throughout the country, divided into 20 distribution

centers owned by the Company in Songkhla, Chiang Mai, Phraya Suren Road, Rangsit-Nakhon Nayok, Prachachuen, Chonburi (Pattaya), Chonburi (Sriracha), King Kaew, Nakhon Pathom, Chumphon, Bang Bua Thong, Phitsanulok, Surat Thani, Chiang Rai, Hua Hin, Nakhon Sawan, Ayutthaya, Nakhon Ratchasima, Udon Thani and Thung Khru, in the amount of 28 places. In terms of renting a distribution center, there are both building rentals and vacant land where the Company will build the building itself, as the following details:

Location	Place	Period*** (Year)	Monthly Rent (Baht)
Bangkok	4	2-6	35,000-173,250
Northern	3	3	15,000-21,000
Eastern	2	3	18,900-26,000
Western region	1	3	38,900
Northeast	7	1-3	8,500-38,000
Central	5	3	22,000-76,000
Southern	6	1-3	13,000-29,000

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

#### 4.1.3 Deliya

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

#### 4.1.4 Delivery vehicles

As of 31 December 2022, the Company has a total of 978 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 2022, the trademarks the Company has registered are Farmhouse, Delidonut, Krua Jean, Madam Marco, Thanyarat, Thanyasuth, Farmhouse Kitchen, Big Bake, Hot Meal, Deliya, Fris R Fresh, Farmhouse Fresh and Good Morning Farmhouse.

## (5) Work that has not yet been delivered

- None -



## 1.3 Shareholding Structure of the Company's Group

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

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

Company	Shareholding Percentage	Nature of Business	Registration Number	Registered Capital, Issued and Paid-up	Address
President Green House Foods Co., Ltd.	39%	To Operate a Restaurant Business Namely "Shinjuku Tonkatsu Saboten"	0105551034347	1,500,000 shares par 10 baht per share, paid-up capital 15 million baht	121/84 29 <sup>th</sup> Floor, RS Tower, 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.

### 1.3.3 Relationship with the business group of major shareholders

The Company has disclosed information as detailed in the connected transaction, pages 124-125.

### 1.3.2 Persons who may have conflicts

- None -







## 1.3.4 Shareholders

### List of the first 10 shareholders

Summary information from the closing date of the share register book as of 6 September 2022.

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	9,552,740	2.12
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
<b>Total</b>		<b>381,743,486</b>	<b>84.83</b>

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

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

- None -

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

- None -

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

### 1.4.1 Ordinary shares

As of 31 December 2022, 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	2021	2020	2019	2018	2017
Earnings per share (Baht/Share)	3.75	3.73	3.78	3.18	2.96
Dividend per share (Baht/Share)	1.90	1.90	1.90	1.60	1.50
Rate of Dividend from Net Profit (%)	50.71	50.98	50.24	50.32	50.69





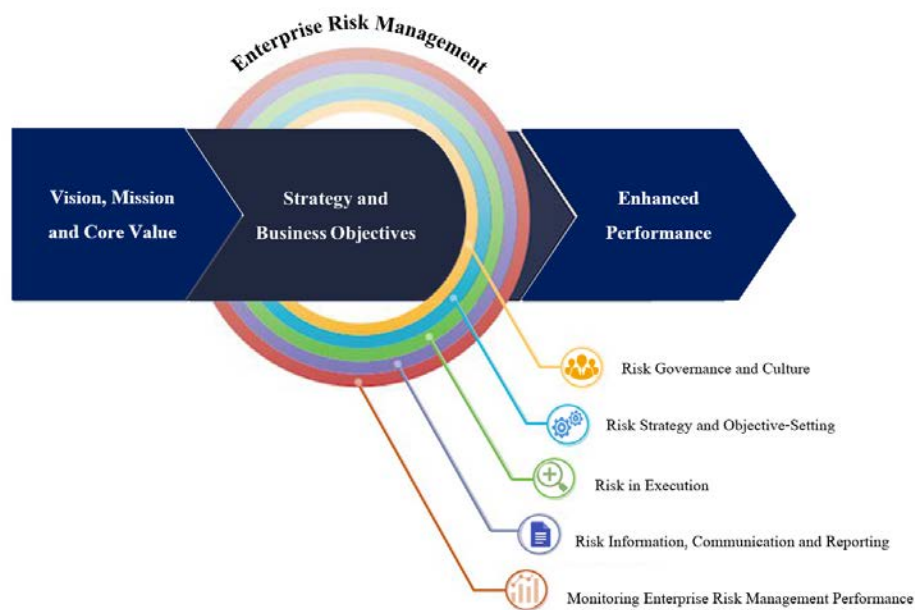
## Section 1 | Business Operations and Performance

# 2. Risk Management

## 2.1 Policy and Risk Management Plan

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 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:

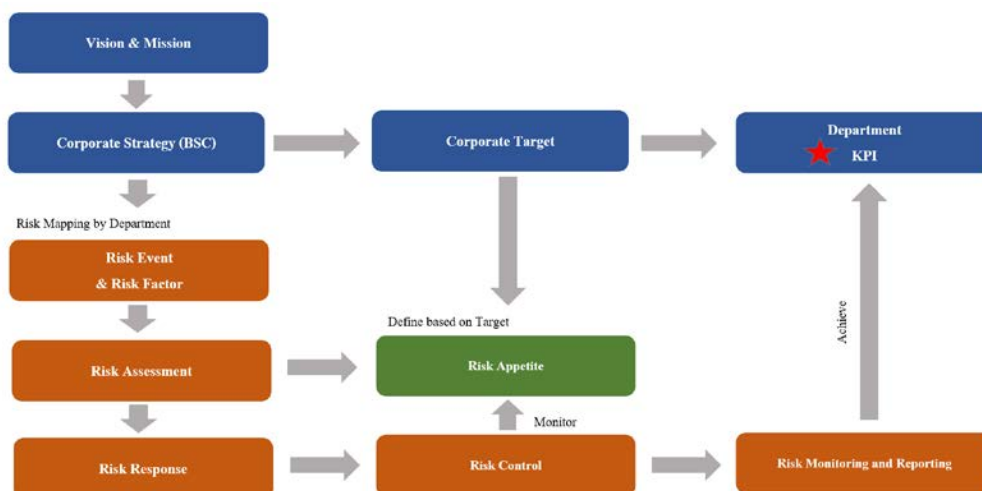
- Instill risk awareness in everyone in the Company
- Promote and develop the potential of employees. Don't stop just thinking, but practically commit to it immediately to see results (Make it happen).
- Cooperate in working as a team (Winning with team) by thinking of improving and finding solutions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

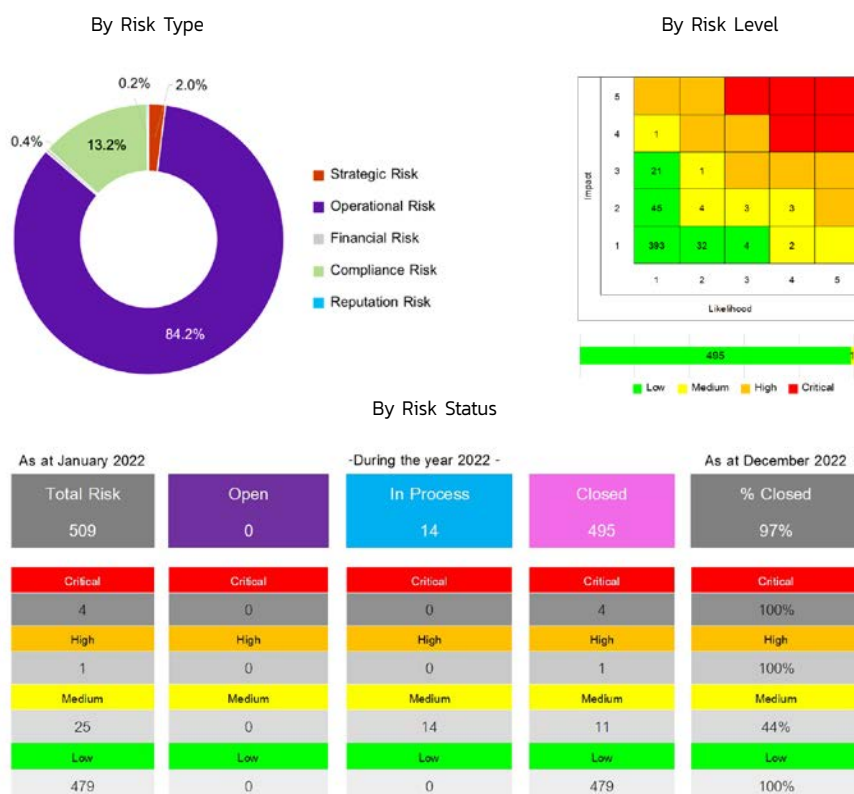


### • Monitor and report on the risk management results of the department.

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 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

The Company has a total of 509 controlled risk factors in 2022, comprising 495 risk factors at an acceptable level, representing 97%. There also are risks that are in the

process of controlling and correcting, which are 14 risk factors at the medium level, representing 3%.







### 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. 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 the convenience store business and most of the hypermarkets to be one of the Company's distribution channels with sales to such customers accounting for more than 40% of total revenue in 2022. If the Company loses this customer, the revenue in that division will suffer.

### Risk Management

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

## Risks Related to Ingredients and Packaging

### Risk From Ingredient Price Fluctuation

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

Overall, in 2022, factors affecting ingredient price volatility are as follows:

#### 1. The gradual recovery of the economies of each country after the COVID-19 situation

has resulted in increased demand for products in the market. Ingredient prices both domestically and internationally also increased according to the market demand. Some ingredients are likely to be in short supply.

#### Risk management during the gradual economic recovery after the COVID-19 situation

is to pre-order plan and negotiate the price with the seller with the purchase volume for approximately 3 months of use to increase bargaining power. As a result, the price of ingredients can be controlled at an appropriate level. Ingredients are also produced continuously without interruption.

#### 2. The Russia-Ukraine War:

Russia and Ukraine are the world's largest producers of crude oil, wheat, soybeans, and fertilizers. The conflict between Russia and Ukraine has disrupted both countries' exports resulting in energy shortages that have affected feed and fertilizer businesses. Energy costs and transportation costs rose due to global crude oil prices. Crop and meat prices also rose due to higher fertilizer and animal feed prices, as well as global demand and wheat prices.





### **Risk Management from the Impact of the Russia-Ukraine War:**

- Coordinate with sellers to avoid transportation through areas that may be affected by the Russia-Ukraine War to prevent delays in ingredient delivery.
- Recruit additional local and international sellers from various continents and regions to compare prices, increase bargaining power, and hedge against the risk of shortages if any area encounters an undeliverable problem.
- Reduce the number of trips required to transport ingredients and packaging by combining the transportation of ingredients and packaging from the same supplier at the same time to reduce transportation costs.

**3. Thailand's flood situation** is continuing from the middle of the year to the end of 2022, resulting in damage to agricultural crops. The price of ingredients in the group of agricultural crops has risen very high, and there is an insufficient quantity.

### **Risk Management from Flood in Thailand:**

Change the sources of agricultural crops evaluated by the Company, avoid flooded areas, and seek additional sellers from neighboring countries with similar-quality agricultural products to Thailand as alternatives.

**4. The volatility of the exchange rate** has resulted in the Thai baht getting weak. Prices for imported ingredients and packaging become higher due to the exchange rates that are difficult to control and predict.

### **Risk Management from Exchange Rate Volatility:**

- Compare the exchange rate volatility of each currency to negotiate with sellers to determine the trading currency so that the Company is least affected by volatility.

- Coordinate with the finance department in advance when purchasing ingredients and packaging from foreign countries to prepare and analyze exchange rate volatility before making payments to the seller. From the above factors, the main ingredients purchased by the Company are affected as follows:

- **Wheat Flour:** Wheat prices in the global market, including transportation costs, have adjusted to a very high level in 2022, moving in the range of \$436-580 per ton, much higher than in 2021, due to the exchange rate volatility, the number of crops from America's arid climate, and the war effects of Russia-Ukraine which are the world's top wheat exporters. As a result, the Company is exposed to the risk of buying wheat flour at a higher price than usual. It is difficult to control and manage the price of wheat flour throughout the year.

### **Risk Management:**

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

- **Fat Group** Including Margarine, Shortening, and Butter: The main ingredient used in production is palm oil. In 2022, the price of crude palm oil in the world market rose to the highest level in 10 years due to the world's major production sources, Indonesia, and Malaysia, putting less palm into the market and suspending exporting palm for a time. Together with the Thai government's supportive measures for both biodiesel production and exports, the price of palm oil continued to rise which directly affected the price of ingredients containing palm oil. It is, therefore, difficult to control and manage both prices and volumes throughout 2022.





### **Risk Management:**

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

- **Chicken Eggs:** Prices tend to increase due to weather conditions and rising feed prices, resulting in the Company taking risks by purchasing high-priced eggs.

### **Risk Management:**

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

- **Fresh Yeast:** Prices tend to increase as production costs, exchange rates, and transportation costs from abroad drive up the cost of fresh yeast. The Company took the risk of buying fresh yeast at a higher price than usual.

### **Risk Management:**

The Company has more than 1 fresh yeast seller from different countries. As a result, the Company has more power to negotiate prices with sellers.

- **Bread Packaging:** Prices tend to increase due to the price of petrochemicals, which are the main material in production, rising in line with global crude oil prices and exchange rates. As with fresh yeast, the cost of bread bags increased, and the Company took the risk of purchasing bread bags that cost more than usual.

### **Risk Management:**

The Company promotes and develops the quality of bread bags with 1 prepared domestic manufacturer to reduce the cost of transportation from abroad and stock substantial amounts. As a result, the Company has more power to negotiate prices with sellers and reduces the risk of having a single seller.

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

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

### **Risk Management:**

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

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

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





**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 together with making an advance reservation of the number of ingredients to be used in production. In the event of an emergency, such as a protest or natural disaster, the Company has already prepared an emergency plan to assist with the ingredient purchase.

**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 6 September, 2022). 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.

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) :

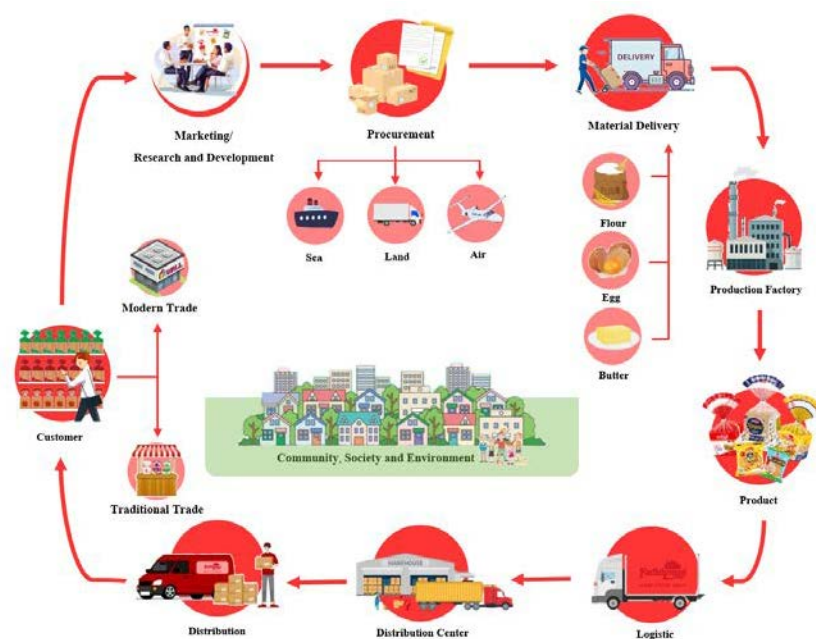
Conducting business responsibly, transparently, fairly, and in accordance with good corporate governance, as well as having an internal control system and effective risk management practices, including anti-corruption.

## 3.2 Management of Impacts on Stakeholders in the Value Chain of Business

### 3.2.1 Value Chain of Business

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 and product development to procurement from quality suppliers both

domestically and internationally and in accordance with the standards set by the officials, the production with the consideration of the impact on the community and the environment, transportation, standardized and fast distribution of products, and response 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 Report 2022 under Section 4.1.1 Supply Chain Management with Responsibility.







### 3.2.2 Stakeholder Analysis

The Company has analyzed key stakeholders both inside and outside the organization who are related to the business value chain. It also gives importance to participation and open communication opportunities to listen to opinions and issues that suggest and reflect the needs and expectations of stakeholders in the Company's business operations. The Company discloses its key stakeholder analysis in the business value chain in its annual Sustainability Report of 2022 under Section 3.1 Building Engagement with 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 2022 under Section 4.2 Sustainability Management in Environment.

### 3.4 Social Management

The Company is committed to conducting business responsibly and considering human rights principles, protecting labor rights, safety, and sanitation, as well as creating a good working environment, along with knowledge management and development, continuously increasing personnel's skills and abilities together with focusing on taking care of the community and society in order to create value and improve the quality of life of the community and society for sustainable growth. The Company has disclosed the social management and social operations policy in the Sustainability Development Report 2022 under Section 4.3 Sustainability Management in Society.





## Section 1 | Business Operations and Performance

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

## 4.1 Important Financial Information

### 1. Overview of Business Performance

In 2022, the situation of the COVID-19 epidemic is starting to improve, but the company is still affected by the price increases of the main raw materials used in the production of goods and expenses such as wheat flour,

energy costs used in production, fuel costs used in transportation, etc. Caused the company to increase product prices to support increased costs, resulting in the company's performance in 2022 with a net profit of 1,706.97 million baht, accounting for 22.55 percent of total revenue, an increase from 2021 in the amount of 19.30 million baht, or 1.14 percent.

### 2. Performance

(Unit : Million Baht)

	2022		2021		Increase (Decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Sales Revenue	7,528.86	99.44	7,159.94	99.34	368.92	5.15
Total Revenue	7,570.97	100	7,207.61	100	363.36	5.04
Sales Capital	4,048.93	53.78	3,773.53	52.70	275.40	7.30
Gross profit	3,479.93	46.22	3,386.41	47.30	93.52	2.76
Selling and Managing Expenses	1,635.25	21.60	1,580.98	21.93	54.27	3.43
Profit for the Year	1,706.97	22.55	1,687.67	23.42	19.30	1.14
Earnings per Share (Baht)	3.79		3.75		0.04	1.07

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



## Sales Revenue

The company had sales revenue of 7,528.86 million baht in 2022, an increase of 368.92 million baht or 5.15% compared to 2021, due to an increase in product prices following the increase in main raw material costs. Sales can be analyzed by type of distribution channel as follows:

(Unit : Million Baht)

Distribution Channels	2022		2021		Increase (Decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Wholesale Bakery Business	6,810.46	89.95	6,570.94	91.17	239.52	3.65
Retail Bakery Business	117.51	1.55	97.86	1.36	19.65	20.08
Fast Food & Restaurant Business	551.89	7.29	409.28	5.68	142.61	34.84
Export (Through Domestic Traders)	49.00	0.65	81.86	1.14	(32.86)	(40.14)
<b>Total</b>	<b>7,528.87</b>	<b>100</b>	<b>7,159.94</b>	<b>100</b>	<b>368.93</b>	<b>5.15</b>

Wholesale Bakery Business: There were sales of 6,810.46 million baht, an increase of 239.52 million baht or 3.65 percent compared to 2021, as the situation of the COVID-19 epidemic began to subside, allowing consumers to shop outside as usual, stores were able to open for service, and modern retail customers had expanded their branches, resulting in sales of wholesale bakery business. For 2022, the company opened 7 more distribution centers, resulting in a total of 48 distribution centers as of December 31, 2022, spread across all regions of Thailand.

Retail Bakery Business: There were sales of 117.51 million baht, an increase of 19.65 million baht or 20.08 percent compared to 2021. The company has continuously developed new product formats, both through promotions and product releases according to various festivals, to provide alternatives and meet the needs of customers, such as Chinese New Year orange cake, Mother's Day cake, Halloween cake, Valentine's heart cookies, etc., which have been well received by customers. There will be more stores opened in 2022, with 1 more Deliya store and 3 Madame Marco stores opening, making as of December 31, 2022, there are 7 Deliya stores and 21 Madame Marco stores. The company is still looking for a suitable location to open more stores in order to reach more customers.

The fast food business had sales of 551.89 million baht, an increase of 142.61 million baht or 34.84% compared

to 2021, selling products to fast food restaurants and general restaurants. When customers in different types of restaurants can open for business as usual in 2022, this will result in increased purchase orders with the company as well.

## Other Revenues

The company has other income in 2022 and 2021 amounting to 42.11 million baht and 47.68 million baht, respectively, a decrease of 5.57 million baht from the previous year or 11.68%.

## Sales Capital

The cost of sales in 2022 amounted to 4,048.93 million baht, an increase of 7.30 percent from the previous year, and the proportion of sales revenue to cost was 53.78 percent, higher than the previous year, which was 52.70 percent. This is due to the increase in the price of main raw materials such as wheat flour, fats, eggs, taro, etc. Overall, it is affected by the world market prices that are rising and the weather, which affects the quantity of agricultural raw materials as well as the price of energy used in the production of goods, which has also increased. As a result, the gross profit margin was 46.22 percent, a decrease from the previous year, which was 47.30 percent. However, the company still selects good raw materials to produce quality products and manages production costs for maximum efficiency.





### Selling and Managing Expenses

Sales and administrative expenses for the year 2022 amounted to 1,635.25 million baht, representing 21.60 percent of total revenue, an increase of 3.43 percent compared to 2021. This was mainly due to the increase in the price of fuel used for delivery as the company has a large number of vehicles to reach customers throughout Thailand and the increase in promotional advertising costs to stimulate sales and showcase the new products released, including other products to reach all groups of customers.

### Net Profit

The company has a net profit of 1,706.97 million baht, an increase of 1.14 percent over the previous year, and a net profit margin of 22.55 percent of total revenues for the year 2022, with a share of profit from joint venture investments of 6.78 million baht.

## 3. Financial position

(Unit : Million Baht)

	2022		2021		Increase (Decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Total Assets	12,200.98	100	11,234.21	100	966.77	8.61
Total Liabilities	1,267.00	10.38	1,093.73	9.74	173.27	15.84
Shareholder's Equity	10,933.98	89.62	10,140.47	90.26	793.51	7.83
Total Liabilities and Shareholders' Equity	12,200.98	100	11,234.21	100	966.77	8.61

### Total Assets

As of December 31, 2022, the company had total assets worth 12,200.98 million baht, an increase of 966.77 million baht from December 31, 2021, consisting of current assets making up 54.07% of total assets and non-current assets making up 45.93% of total assets. Most of the changes came from the following items:

1. Cash and cash equivalents are amounted to 648.94 million baht, an increase of 259.17 million baht, as a result of operating results.
2. Trade and other receivables amounted to 1,003.36 million baht, representing 8.22 percent of total assets, an increase of 132.07 million baht in line with increasing credit sales and an average collection period of 44 days.

3. Inventories amounted to 208.90 million baht, an increase of 19.24 million baht following the increase in raw material prices.

4. Other current financial assets amounted to 4,719.33 million baht, an increase of 503.14 million baht, mainly from transfers from other non-current financial assets with maturities of less than 1 year.

5. Other non-current financial assets amounted to 2,186.54 million baht, an increase from the purchase of investment in real estate investment trust units and hydrogen leasehold rights of 180 million baht and investment in ordinary shares of King Square Development Co., Ltd. of 35 million baht.

6. Property, plant, and equipment amounted to 3,334.26 million baht, a decrease from the recognition of some depreciation increased from the purchase of 98 deteriorated transportation vehicles to replace the old ones.





### Total Liabilities

In December 31, 2022, the company had total liabilities of 1,267.00 million baht, representing 10.38 percent of its liabilities and shareholders' equity, an increase of 15.84 percent from December 31, 2021, and a total debt-to-equity ratio of 0.12 times. The main reason is that trade and other payables amounted to 782.50 million baht, an increase of 143.95 million baht due to increased raw material prices, fuel costs, and payables from the purchase of transportation vehicles at the end of the year with an average repayment period of 70 days.

### Shareholder's Equity

In December 31, 2022, the company had shareholders' equity of 10,933.98 million baht, representing 89.62 percent of liabilities and shareholders' equity, an increase from December 31, 2021, in the amount of 793.51 million baht, resulting from the net profit generated in the year 2022, and the company paid dividends in the amount of 864 million baht. Resulting in a book value of 24.30 baht per share, an increase from the book value in December 31, 2021, which was 22.53 baht per share.

## 4. Liquidity and Suitability of the Capital Structure

### Liquidity

(Unit : Million Baht)

Cash Flow	2022	2021
Net Cash from Operating Activities	1,972.33	1,959.54
Net cash used in investing activities	837.07	1,126.61
Net cash used in financing activities	876.08	811.51
Net Increase in Cash and Cash Equivalents	259.17	21.42
Cash and cash equivalents at the beginning of the year	389.77	368.35
Cash and cash equivalents at the end of the year	648.94	389.77

As of December 31, 2022, the company had cash and cash equivalents of 648.94 million baht, an increase of 259.17 million baht or 66.49 percent from the previous year, with the following cash flows:

Net cash flow from operating activities amounted to 1,972.33 million baht, an increase of 12.79 million baht from the previous year, mainly due to an increase in sales revenue.

Net cash used in investing activities amounted to 837.07 million baht, a decrease of 289.54 million baht, mainly due to an increase in the purchase of financial assets, some of which received cash from the sale of other financial assets, including interest and dividend income.

Net cash used in financing activities amounted to 876.08 million baht, an increase of 64.57 million baht, mainly due to the dividend payment of 864 million baht, and the company has a liquidity ratio of 5.77 times for a sales period of 1 day, an average debt collection period of 44 days, and an average payment period of 70 days, resulting in the company's cash cycle being 25 days.

### Suitability of the Capital Structure

In December 31, 2022, the company had a total debt to equity ratio of 0.12 times, which is always low, with an interest coverage ratio of 2,191.06 times, indicating stable financial stability and an appropriate capital structure.





## 5. ESG operations

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

The company has been controlling the use of fuel in the transportation sector for maximum efficiency, minimizing the impact on the environment as much as possible, and still reducing the company's energy costs. By using diesel B10 fuel and increasing the performance of the transport vehicle by installing a GPS system to control the speed, the fuel consumption rate (km per liter) meets the set target. From 2020 to 2022, the company has been able to reduce fuel consumption continuously and efficiently for 3 years, totaling 1,364,361.53 liters, and greenhouse gas emissions for 3 years, totaling 3,739.16 tonne CO2 equivalent.

### **In 2022, the farmhouse was certified Green Industry Standard Level 2, Green Activity (Green Activity).**

The company was certified Green Industry Standard Level 2 and Green Activity by the Ministry of Industry, which emphasizes and strives to conduct various activities to reduce environmental impact and use energy efficiently, and there is appropriate and continuous communication within the organization.

Moreover, Farmhouse is determined to apply for the green industry standard certification at Level 3, Green System, by the year 2024 in order to have a systematic and sustainable development of environmental management continuously.

### **In 2022, Farmhouse received a factory certificate to support the development of an eco-industrial town.**

The Company has supported the development of industrial ecology in industrial estates. The Company was certified at the level of Eco-Excellence.

### **Farmhouse joins the network "Energy Beyond Standards" in announcing its intention to conserve energy in 2022.**

The Company together with the Department of Alternative Energy Development and Efficiency under the Ministry of Energy and 70 leading organizations declared their intention to become an energy conservation network called "Energy Beyond Standards" to awaken the trend of energy conservation into concrete results, create a model organization that uses energy efficiently, and show commitment to energy conservation within the organization. They will also help Thailand's climate change policy achieve its carbon neutrality target.

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

Fuel is an important factor in the transportation of goods. In the past year, the world oil price has been at a very high level since 2021 and may continue to be high in the future. Affecting the costs of companies and other businesses may affect prices for products, raw materials, packaging, and services. However, the company has managed the use of fuel for maximum efficiency by controlling the driving speed, changing the use of larger transport vehicles to carry more goods, and reducing the number of trips in the car and removing the tail lift to make the car lighter.





## 4.3 Important Financial Information

### 4.3.1 Statement of Financial Position

(Unit : Million Baht)

Statements of Financial Position	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	648.94	5.32	389.77	3.47	368.35	3.58
Trade and other receivables	1,003.36	8.22	871.30	7.76	747.08	7.25
Inventories	208.90	1.71	189.66	1.69	168.31	1.63
Other current financial assets	4,719.33	38.68	4,216.19	37.53	3,826.17	37.15
Other current assets	16.57	0.14	11.37	0.10	13.77	0.13
Total current assets	6,597.10	54.07	5,678.29	50.54	5,123.68	49.75
<b>Non-current assets</b>						
Investment in joint venture	34.79	0.29	31.35	0.28	29.82	0.29
Other non-current financial assets	2,186.54	17.92	2,069.78	18.42	1,492.90	14.50
Property, plant and equipment	3,334.26	27.33	3,425.88	30.50	3,621.44	35.16
Right-of-use assets	28.54	0.23	8.99	0.08	15.30	0.15
Advance payments for purchase of assets	3.41	0.03	4.97	0.04	0.54	0.01
Intangible assets	11.57	0.09	11.51	0.10	11.15	0.11
Other non-current assets	4.77	0.04	3.43	0.03	4.06	0.04
Total non-current assets	5,603.88	45.93	5,555.91	49.46	5,175.21	50.25
Total assets	12,200.98	100.00	11,234.21	100.00	10,298.89	100.00





(Unit : Million Baht)

Statements of Financial Position	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade and other payables	782.50	6.41	638.54	5.68	574.30	5.58
Current portion of liabilities under finance lease agreements	12.45	0.10	5.75	0.05	9.54	0.09
Corporate income tax payable	139.25	1.14	123.91	1.10	109.30	1.06
Accrued expenses	199.00	1.63	207.31	1.85	223.74	2.17
Other non-current liabilities	11.13	0.09	3.08	0.03	2.53	0.02
Total non-current liabilities	1,144.33	9.37	978.59	8.70	919.41	8.92
<b>Non-current liabilities</b>						
Lease liabilities, net of current portion	15.56	0.13	3.50	0.03	6.08	0.06
Deferred tax liabilities	4.97	0.04	19.18	0.17	23.60	0.23
Provision for long-term employee benefits	97.74	0.80	88.47	0.79	96.10	0.93
Other non-current liabilities	4.40	0.05	3.99	0.05	3.83	0.05
Total non-current liabilities	122.67	1.01	115.14	1.02	129.61	1.26
Total liabilities	1,267.00	10.38	1,093.73	9.74	1,049.02	10.19
<b>Shareholders' equity</b>						
Registered, Issued and fully paid-up 450,000,000 ordinary shares of Baht 1 each	450.00	3.69	450.00	4.01	450.00	4.37
Share premium	674.38	5.53	674.38	6.00	674.38	6.55
Retained earnings	45.00	0.37	45.00	0.40	45.00	0.44
Appropriated-statutory reserve						
Unappropriated	9,686.30	79.39	8,851.57	78.79	7,940.82	77.10
Other components of shareholders' equity	78.30	0.64	119.52	1.06	139.67	1.36
<b>Total shareholders' equity</b>	<b>10,933.98</b>	<b>89.62</b>	<b>10,140.44</b>	<b>90.26</b>	<b>9,249.87</b>	<b>89.81</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,200.98</b>	<b>100.00</b>	<b>11,234.20</b>	<b>100.00</b>	<b>10,298.89</b>	<b>100.00</b>
<b>Book Value (Baht per Share)</b>	<b>24.30</b>		<b>22.53</b>		<b>20.56</b>	





### 4.3.2 Statements of Comprehensive Income

(Unit : Million Baht)

Statements of Comprehensive Income	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
<b>Profit or loss:</b>						
<b>Revenues</b>						
Sales	7,528.86	99.44	7,159.94	99.34	7,143.48	99.41
Other income	42.11	0.56	47.67	0.66	42.46	0.59
<b>Total revenues</b>	<b>7,570.97</b>	<b>100.00</b>	<b>7,207.61</b>	<b>100.00</b>	<b>7,185.94</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of sales	4,048.93	53.48	3,773.53	52.35	3,742.85	52.09
Selling and distribution expenses	1,368.59	18.08	1,335.45	18.53	1,358.03	18.90
Administrative expenses	266.66	3.52	245.53	3.41	251.06	3.49
<b>Total expenses</b>	<b>5,684.18</b>	<b>75.08</b>	<b>5,354.51</b>	<b>74.29</b>	<b>5,351.94</b>	<b>74.48</b>
Operating profit	1,886.79	24.92	1,853.10	25.71	1,834.00	25.52
Share of profit from investment in joint venture	6.78	0.09	3.25	0.05	3.44	0.05
Finance income	55.78	0.74	45.91	0.64	60.41	0.84
Finance cost	(0.89)	(0.01)	(0.68)	(0.01)	(0.81)	(0.01)
<b>Profit before income tax expenses</b>	<b>1,948.46</b>	<b>25.74</b>	<b>1,901.58</b>	<b>26.38</b>	<b>1,897.04</b>	<b>26.40</b>
Income tax expenses	(241.49)	(3.19)	(213.91)	(2.97)	(218.37)	(3.04)
<b>Profit for the year</b>	<b>1,706.97</b>	<b>22.55</b>	<b>1,687.67</b>	<b>23.42</b>	<b>1,678.67</b>	<b>23.36</b>
<b>Other comprehensive income:</b>						
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Loss on changes in value of debt investment designated at fair value through other comprehensive income-net of income tax	(10.38)		(5.78)		(3.63)	
Other comprehensive income to be reclassified to profit or loss in subsequent periods-net of income tax	(10.38)		(5.78)		(3.63)	
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	(25.51)		9.72		(4.54)	
Actuarial losses-net of income tax	(13.45)		-		-	
Share of actuarial gain of joint venture-net of income tax	(0.12)		-		-	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods-net of income tax	(39.08)		9.72		(4.54)	
<b>Other comprehensive income for the year</b>	<b>(49.46)</b>		<b>3.94</b>		<b>(8.17)</b>	
<b>Total comprehensive income for the year</b>	<b>1,657.51</b>	<b>21.89</b>	<b>1,691.61</b>	<b>23.47</b>	<b>1,670.50</b>	<b>23.25</b>
<b>Earnings per share</b>						
Basic earnings per share	3.79		3.75		3.73	



### 4.3.3 Statements of Cash Flows

(Unit : Million Baht)

Statements of Cash Flows	2022	2021	2020
<b>Cash flows from operating activities</b>			
Profit before tax	1,948.46	1,901.59	1,897.03
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	378.98	425.42	492.80
Gain on disposals of property, plant and equipment	(1.15)	(0.67)	(1.99)
Provision for litigation	-	-	7.70
Share of profit from investment in joint venture	(6.78)	(3.25)	(3.44)
Gain on sales of other current financial assets	(0.06)	(0.22)	(0.40)
(Gain) loss on sales of other non-current financial assets	10.66	(31.70)	(2.29)
Gain (loss) from sales of equity instruments not recognised in profit or loss	6.67	30.09	(5.17)
Unrealised gain on exchange	(0.32)	(0.14)	(0.08)
Gain from fair value measurement of financial assets	9.24	(0.04)	-
Provision for long-term employee benefits	4.60	8.09	8.25
Dividend income from listed equity investments	(10.39)	(8.61)	(2.82)
Dividend income from non-listed equity investment	(5.85)	(7.35)	(4.80)
Finance income	(55.78)	(45.91)	(60.41)
Finance cost	0.89	0.67	0.81
Profit from operating activities before changes in operating assets and liabilities	2,279.17	2,267.97	2,325.19
Decrease (increase) in operating assets			
Trade and other receivables	(117.33)	(117.72)	180.76
Inventories	(19.24)	(21.34)	5.94
Other current assets	(5.19)	2.39	0.41
Other non-current assets	(1.33)	0.63	0.47
Trade and other payables	83.91	65.27	(55.39)
Other current liabilities	(7.89)	(17.39)	(29.05)
Other non-current liabilities	0.41	0.16	-
Provision for long-term employee benefits	(11.20)	(15.72)	(11.56)
<b>Cash from operating activities</b>	<b>2,201.31</b>	<b>2,164.25</b>	<b>2,416.77</b>
Cash paid for income tax	(228.98)	(204.71)	(227.18)
<b>Net cash from operating activities</b>	<b>1,972.33</b>	<b>1,959.54</b>	<b>2,189.59</b>



(Unit : Million Baht)

Statements of Cash Flows (Continued)	2022	2021	2020
<b>Cash flows from investing activities</b>			
Restricted bank deposit	-	-	36.35
Cash paid for other current financial assets	(6,627.72)	(6,363.36)	(5,227.52)
Cash paid for other non-current financial assets	(1,609.61)	(2,879.11)	(2,501.10)
Cash received from sales of other current financial assets	6,323.76	6,467.00	4,114.03
Cash received from sales of other non-current financial assets	1,210.22	1,801.21	2,368.65
Acquisitions of property, plant and equipment	(217.45)	(221.47)	(113.35)
Proceeds from disposals of property, plant and equipment	1.37	1.12	3.52
Decrease in advance payments for purchase of assets	1.57	(4.43)	0.57
Increase in intangible assets	(1.50)	(2.15)	(2.46)
Interest received	62.90	56.85	68.77
Dividend income from listed equity investments	10.32	8.65	2.88
Dividend income from joint venture	3.22	1.73	2.05
Dividend income from non-listed equity investment	5.85	7.35	4.80
<b>Net cash used in investing activities</b>	<b>(837.07)</b>	<b>(1,126.61)</b>	<b>(1,242.81)</b>
<b>Cash from financing activities</b>			
Payment of principal portion of lease liabilities	(11.19)	(9.84)	(21.74)
Cash paid for interest expenses	(0.89)	(0.67)	(0.81)
Dividend payments	(864.00)	(801.00)	(922.50)
<b>Net cash used in financing activities</b>	<b>(876.08)</b>	<b>(811.51)</b>	<b>(945.05)</b>
Net increase in cash and cash equivalents	259.18	21.42	1.73
Cash and cash equivalents at beginning of year	389.76	368.35	366.62
Cash and cash equivalents at end of year	648.94	389.77	368.35





#### 4.3.4 อัตราส่วนทางการเงินที่สำคัญที่สะท้อนถึงฐานะการเงิน และผลการดำเนินงานของบริษัท

Financial Ratio		2022	2021	2020
<b>Liquidity Ratios</b>				
Current Ratio	(Times)	5.77	5.80	5.57
Quick Ratio	(Times)	5.57	5.60	5.37
Cash Flow Liquidity Ratio	(Times)	1.86	2.06	2.27
Average Collection Period	(Day)	44	40	42
Average Finish Goods Period	(Day)	1	1	1
Average Inventory Period	(Day)	13	13	12
Average Payment Period	(Day)	70	68	68
Cash Cycle	(Day)	(25)	(27)	(25)
<b>Profitability Ratios</b>				
Gross Profit Margin	(%)	46.22	47.30	47.60
Net Profit Margin	(%)	22.55	23.42	23.36
Return On Equity	(%)	16.20	17.41	19.05
<b>Efficiency Ratios</b>				
Return on Assets	(%)	14.57	15.68	16.97
Return on Fixed Assets	(%)	61.71	59.97	49.37
Total Asset Turnover	(Times)	0.65	0.67	0.73
<b>Financial Policy Ratios</b>				
Debt to Equity Ratio	(Times)	0.12	0.11	0.11
Interest Coverage Ratio	(Times)	2,191.06	3,390.65	2,876.14
Commitment Coverage Ratio	(Times)	156.65	395.92	243.98
Dividend Payout Ratio	(%)	N/A	50.71	50.98







## Section 1 | Business Operations and Performance

# 5. General Information and Other Important Information

## 5.1 General Information

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





## 5.2 Other important information

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

- None -

### 5.2.2 Restrictions on foreign shareholders

- None -

## 5.3 Legal Disputes

- None -

## 5.4 Secondary Market

- None -

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

- None -





## Section 2 | Corporate Governance

# 6. Corporate Governance Policy

## 6.1 Overview of Corporate Governance Policies and Practices

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

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

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

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

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

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

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

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

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

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

### Code of Conduct 1

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





## Code of Conduct 2

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

## Code of Conduct 3

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

## Code of Conduct 4

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

## Code of Conduct 5

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

## Code of Conduct 6

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

## Code of Conduct 7

Maintain financial credibility and disclosure, the Board of Directors emphasizes the importance of having a strong corporate governance system and disclosing material information that has had or may have an effect on the Company's stock price, investment decisions, or shareholder benefits in

order for shareholders and investors to receive essential information in an equal and timely manner.

## Code of Conduct 8

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

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

## Compliance with Good Corporate Governance Principles

In 2022, 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 2022, the Company held the 43<sup>rd</sup> Annual General Meeting of Shareholders on 28 April 2022, at 9.30 a.m. meeting room floor 6, Bangchan Factory at Bang Chan Industrial Estate. The meeting place is convenient to travel to because it is near the main road and has been announced







in a Thai daily newspaper regarding the notice of the Annual General Meeting of Shareholders not less than 3 consecutive days before the meeting date announced during 17-19 April 2022, and such information is published at [www.farmhouse.co.th/](http://www.farmhouse.co.th/) Including investment information, as well as an opportunity for shareholders to submit questions in advance of the meeting date

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

- **Director Appointment Agenda:** The Company allows shareholders to elect directors individually by providing name and surname, age, educational background, work history, number of companies holding directorships separately, listed companies, and general companies. The criteria and methods for nominating the types of directors who present information on attendance and the number of years in office in the case of nominations for the former director by nominating the aforementioned directors have been reviewed by the Nominating Committee
- **Director's Remuneration Agenda:** The Company has provided data regarding the types and amounts of payments, as well as policies and criteria for determining the remuneration of directors that have been determined and refined by the Remuneration Committee.
- **Agenda for the appointment of auditors:** The Company has given details about the auditors' name of the audit firm, experience, auditors' ability, independence, remuneration for the number of years serving the Company (in the case of appointing the former auditor). Method for considering the appropriateness of the audit fee has been determined and screened by the Audit Committee.
- **Profit Allocation and Dividend Agenda:** The Company has provided details about the allocation of profits and reserve funds, the number of dividends with reasons, and supporting information following

the dividend payment policy and the date set by the Board of Directors (Record Date) to determine the right to receive dividends.

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

At the 2022 general meeting of shareholders, 15 directors attended the meeting. Those, including the Chairman of the Board of Directors, in addition to the Chief Executive Officer in Accounting and Finance, Executive Director and Auditor of the Company who attended the meeting for shareholders to ask questions on related matters. The Company arranged for an inspector to witness the vote counting for each agenda item by inviting the Company's auditors, namely EY Office Limited, as well as representatives of legal advisory firms to ensure that the meeting is transparent and follows the Company's regulations.

And the Company has also disclosed the resolutions of the shareholders' meeting together with the voting results of each agenda item to inform the Stock Exchange on 28 April 2022.

**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/](http://www.farmhouse.co.th/) investor.





## 2. Equitable Treatment of Shareholders

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

**2.1 Shareholders' meeting:** The invitation letter and supporting documents will be sent to shareholders at least 10 days in advance of the meeting date. The invitation letter for the meeting was prepared in both Thai and English versions. The English version of the shareholders can be viewed at [www.farmhouse.co.th](http://www.farmhouse.co.th). Additionally, if it is necessary to propose a special agenda for an urgent case that affects or is related to the interests of the shareholders or is involved in the conditions or regulations of the government that require approval from the shareholders, the Company will call The Extraordinary General Meeting of Shareholders is on a case-by-case basis, and the Company allows shareholders to propose matters for inclusion in the meeting agenda and/or to nominate a person to be considered for election as the Company's director one month in advance in 2022, starting from 1-30 December 2022.

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

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

## 2.2 Conflicts of Interest:

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

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

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

## 2.3 Supervision of internal information use:

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





### 3. Taking into Account The Roles of Stakeholders

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

#### To Shareholders

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

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

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

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

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

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

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

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

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





Dividend in 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 for the year 2021	1.06	26 May 2022
<b>Total</b>	<b>1.90</b>	

Dividend in 2022	Baht per Share	Date of Payment
Paid from Net profit and Retained earnings for the six-month period ended 30 June 2022	0.86	19 September 2022
<b>Paid from Net profit and Retained earnings</b>	<b>Wait for approval</b>	<b>Wait for approval</b>

## To Customers

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

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

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

## To Trade Partner

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

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







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

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

### To Competitors

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

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

2. Do not jeopardize competitors' reputations.

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

### To Payables

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

1. Treat all payables equally and fairly

2. Strictly adhere to contracts or agree upon terms

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

4. Disclose the financial condition accurately and timely

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

In 2022, The Company paid trade accounts payable as per the pre-agreed payment terms without incurring any defaults, and the Company currently has no payables for any loans.

### To Employees

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

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

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

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

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

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

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

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

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

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





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

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

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

## Fair Treatment of Employees

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

### Guidelines for Employee Recruitment

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

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

### Employee Remuneration Practices

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

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

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

### Guidelines for Labor and Employees Relations

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





## Guidelines for Grievances or Employee Complaints

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

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

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

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

## Management of Welfare and Other Benefits

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

safety departments to oversee this specific task of strengthening and improving employee quality of life through various forms of welfare.

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

### Health and Safety

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

### Living expenses assistance

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

### Morale and Encouragement

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





## Savings for the Future

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

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

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

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

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

## To the Community and Society

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

1. Do not conduct a business that degrade society and violate the rights of individuals who are involved in the community and society.
2. Cultivate a continual and serious sense of duty toward the community and society at large among the Company and its employees at all levels.







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, Form 56-1 One Report.





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

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

Publication of information on the Company's website includes:

- Company Vision and Mission
- 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
- Form 56-1 One Report
- Criteria for the Right of Shareholders to Propose Agenda

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

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

## Anti-Corruption

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

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

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





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

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

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

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

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

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

annually, including reporting on operating results related to fraud patterns. The audit committee is responsible for reviewing the appropriateness of the self-assessment practice on anti-corruption measures for the process of certifying the renewal of the Thai Private Sector Collective Action Coalition against Corruption.

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

In 2022, 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

In 2022, the company will be certified in corporate governance as follows:

- The company received the corporate governance assessment results of listed companies on the Stock Exchange of Thailand for the year 2022. (Corporate Governance Report of Thai Listed Companies 2022) organized by the Thai Institute of Directors Association (IOD) at the level of "very good".

- The company has been renewed as a member of the 2nd Coalition against Corruption of the Thai Private Sector in order to build confidence among all stakeholders in developing a management system that is transparent, efficient, and in accordance with good corporate governance principles.

- The company has been selected to be in the ESG100 for the 7th consecutive year by Thaipat Institute, the Foundation for Rural Reconstruction of Thailand under the Royal Patronage of His Majesty the King, by evaluating environmental, social, and governance data. (Environmental Social and Governance)

- The company has been certified under the Green Industry Standard Level 2 and Green Activity by the Ministry of Industry.

- The company has taken part in supporting the development of eco-industrial cities (Industrial Ecology) and industrial estates," for which the company has been certified at the level of "Eco-Excellence."

- The company, together with the Department of Alternative Energy Development and Efficiency, the Ministry of Energy, and 70 leading organizations, announced their intention to become an energy conservation network called "Energy Beyond Standards" to show their commitment to energy conservation within the organization.

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

In 2022, 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 2022, 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.
Chairman of the Board should be an independent director duties	The Chairman of the Board of Directors have well knowledgeable, capable, and have firm-specific the Company's business and has performed his with independence, allowing all directors to freely express their opinions and offer suggestions that are beneficial to the Company
Chairman of the nomination and remuneration committee should be an independent director	The chairman of the nomination and remuneration committee is a non-executive director with well knowledge, ability, experience, and understanding of the Company's business, including performing duties with responsibility.
The Board of Directors consists of directors between 5-12 people.	The Board of Directors of the Company consists of 15 members. The composition consists of 3 groups, independent directors, non-executive directors, and the executive committee for the balance in management, and by the Company's regulations that there is a board of directors of not less than 5 people. However, the Company must consider the number of directors taking into account the suitability and the size of the business.

### 6.3.3 Compliance with CG CODE

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

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



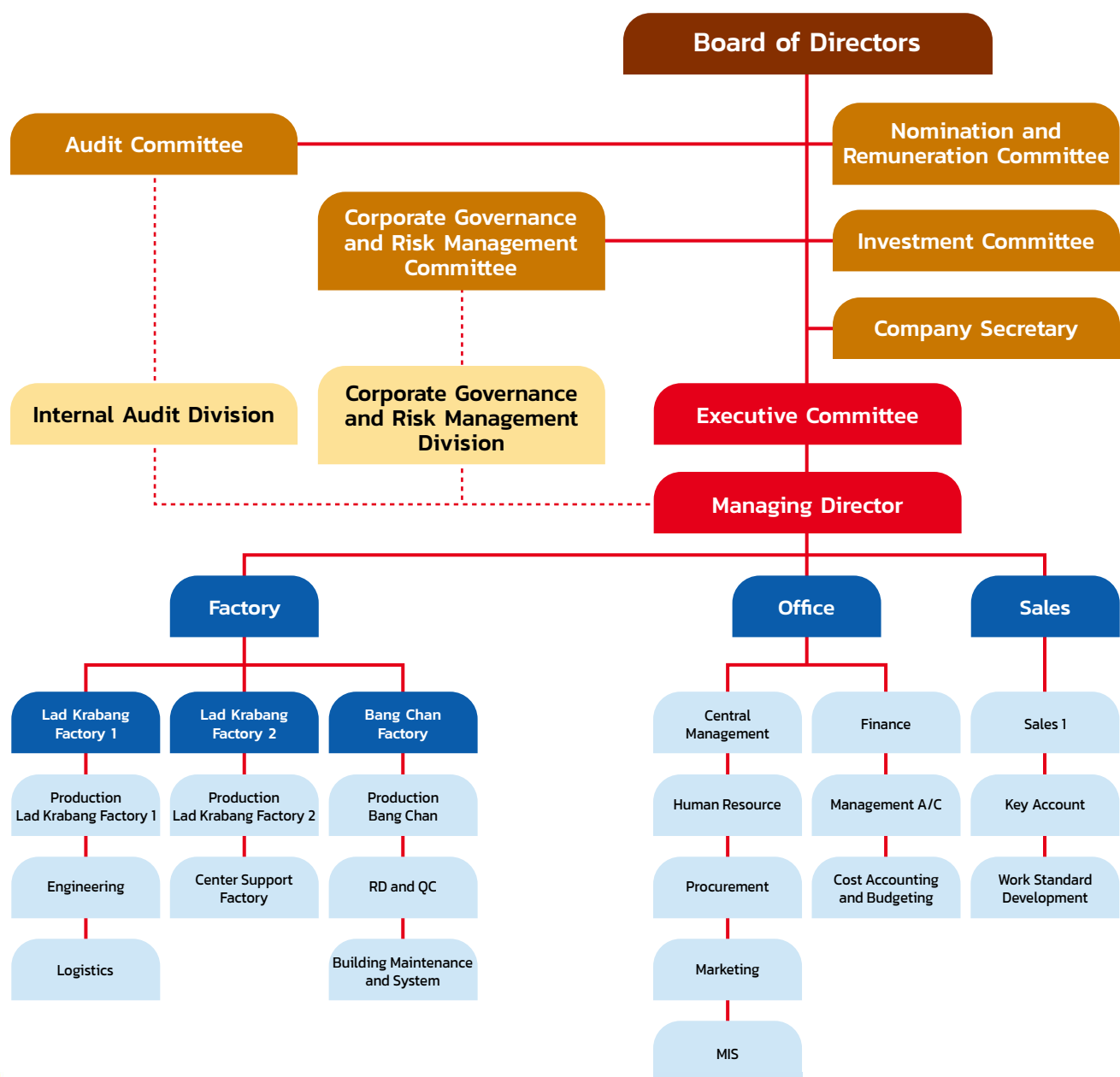


## Section 2 | Corporate Governance

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

## 7.1 Governance Structure

### Organization Chart





## 7.2 Board of Directors Information

### 7.2.1 Composition of the Board of Directors

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

#### Composition of the Board of Directors

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

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

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

### 7.2.2 Information of the Board of Directors

Board of Director Name List as at 31 December 2022 as follow:

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





Name	Position
10. Miss Ubolluck Luevoravinyu	<ul style="list-style-type: none"> <li>• Director</li> <li>• Corporate Governance and Risk Management Committee</li> <li>• Investment Committee</li> </ul>
11. Prof. Dr. Teeravuti Boonyasopon	<ul style="list-style-type: none"> <li>• Chairman of Independent Director and Chairman of Audit Committee</li> </ul>
12. Mr. Wattanachai Chotechutrakul	<ul style="list-style-type: none"> <li>• Independent Director and Audit Committee</li> <li>• Director of the Nomination and remuneration Committee</li> </ul>
13. Prof. Dr. Piyamitr Sritara	<ul style="list-style-type: none"> <li>• Independent Director</li> </ul>
14. Mr. Thanapich Mulapruk	<ul style="list-style-type: none"> <li>• Independent Director and Audit Committee</li> <li>• Chairman of Corporate Governance and Risk Management Committee</li> </ul>
15. Mrs. Aim-on Pathumarak	<ul style="list-style-type: none"> <li>• Independent Director and Audit Committee</li> <li>• Corporate Governance and Risk Management Committee</li> </ul>

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

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

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

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

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

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

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

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

### Chairman of the Board and Managing Director

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





## Powers, Duties and Responsibilities of the Chairman

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

## Powers and Duties of the Managing Director

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

1. Has the authority to manage the business according to the objectives, articles of association, resolutions of the shareholders' meeting and all resolutions of the Board of Directors' meeting.
2. 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 Form 56-1 One Report port
  - Notice of the shareholders' meeting and the minutes of the shareholders' meeting
2. Keeping stakeholder reports as reported by directors or executives.
3. Submit a copy of the report of interest under Section 89/14 to the chairman of the Board of Directors and the chairman of the audit committee within 7 working days from the date the Company receives the report.
4. Provide preliminary advice to the committee on legal matters, registration, and regulations of the Company.
5. Contact and communicate with general shareholders to be informed of their rights of shareholders and company news.
6. Support the Company's management by the principles of good corporate governance.
7. Other actions as announced by the Capital Market Supervisory Board





## 7.3 Information about sub-committees

The Board of Directors has appointed three subcommittees comprising the audit committee, nomination and remuneration committee, and the corporate governance 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. 4/2022 dated 28 April 2022

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

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

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

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

2. Review the internal control system and the internal audit system to be appropriate and effective, and consider the independence of the internal audit unit, comment on the internal audit plan and the operation of the internal audit unit, as well as approve the appointment,

transfer, and dismissal of the head of the internal audit unit, or any other agency responsible for internal audits.

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

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





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

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

- (1) An opinion about accuracy, completeness, and reliability of the Company's financial reports.
- (2) Opinions on the sufficiency of the Company's internal control system.
- (3) Comments on Legal Compliance on Securities and Exchange, regulation of SET or laws related to the Company's business.
- (4) Opinions on the suitability of the auditor.
- (5) Comments on transactions that may subject to conflicts of interest.
- (6) Number of Audit Committee Meetings and the attendance of each Audit Committee.
- (7) Overall opinions or observations reached by the Audit Committee in performing their duties in accordance with the Charter. The Audit Committee
- (8) Other items that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.

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

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

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

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

9. Review and certify the self-assessment on anticorruption measures assessed by the Corporate Governance Division, to ensure that the Company has various anti-corruption systems as reported in the 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 2022, 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 2022, the Nomination and Remuneration Committee as follows:







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

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

1. Consider and nominate qualified persons to be the Company's directors and to present to the meeting for the Board of Directors to consider.
2. Consider and determine the amount of remuneration for the Company's directors to present to the Board of Directors for consideration, and propose to the shareholders' meeting for further approval.
3. Suggest an allocation method to pay remuneration to the Company's directors and other subcommittees to the Board of Directors within the budget approved by the shareholders' meeting by considering the performance Duties and Responsibilities

### 7.3.3 Corporate Governance 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.

At present, the Audit Committee consists of 8 directors who are knowledgeable, expertise and the appropriate experience was appointed according to the resolution of the Board of Directors Meeting No. 4/2022 dated 28 April 2022





Name	Position in Company	Position in Corporate Governance and Risk Management Committee
1. Mr. Thanapich Mulapruk	Independent Director	Chairman of Corporate Governance and Risk Management Committee
2. Mr. Apisate Thammanomai	Managing Director	Corporate Governance and Risk Management Committee
3. Miss Saipin Kittipornpimol	Director and Assistant Managing Director	Corporate Governance and Risk Management Committee
4. Miss Ubolluck Luevoravinyu	Director and Assistant Managing Director	Corporate Governance and Risk Management Committee
5. Miss Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager	Corporate Governance and Risk Management Committee
6. Miss Panida Prayottaweekij	Director and Assistant Managing Director	Corporate Governance and Risk Management Committee
7. Dr. Pojjanee Paniangvait	Director	Corporate Governance and Risk Management Committee
8. Mrs. Aim-on Pathumarak	Independent Director	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 The Investment Committee

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





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

### Scope of duties and responsibilities of the investment committee

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

5. Report investment results to the Board of Directors for acknowledgment.

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

### 7.3.5 Non-Executive Directors

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

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



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

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

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

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

## 7.4 Executive Information

### 7.4.1 List of name and position of executives

On 31<sup>st</sup> December 2022, 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	Chairman of the Board of Directors and Chairman of the Executive Board
2. Mr. Apisate Thammanomai	Managing Director
3. Miss Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager
4. Miss Panida Prayottaweekij	Director and Senior Production Manager
5. Miss Saipin Kittipornpimol	Director and Assistant Managing Director
6. Miss Ubolluck Luevoravinyu	Director and Assistant Managing Director
7. Mrs. Malee Tangjaisanong	Advisor

Details of directors and executives are in Attachment 1.

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

(Unit : Baht)

Remuneration	Number (person)	Amount	
		2022	2021
Total Salary	7	27,870,230	28,478,800
Total Bonus	7	6,820,370	6,575,540
<b>Total</b>		<b>34,690,600</b>	<b>35,054,340</b>





## Other Remuneration

Contribution to Provident Fund for executive committee

(Unit : Baht)

Remuneration	Number (person)	Amount	
		2022	2021
Contribution to Provident Fund	2	373,511.50	497,940
<b>Total</b>		<b>373,511.50</b>	<b>497,940</b>

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

Directors and executives of the company holding the Company's securities as of 31 December 2022, and 2021 are as follows:

### Number of Shares as at 31 December (par value 1 Baht)

Board of Directors and Executives	2022	2021	change
<b>Securities Holder-Director</b>			
1. Mr. Pipat Paniangvai	14,896,150	14,896,150	-
Spouse and children under legal age	63,250	63,250	-
2. Mr. Apichart Thammanomai	1,819,970	1,819,970	-
Spouse and children under legal age	1,500,000	1,500,000	-
3. Mr. Apisate Thammanomai	3,344,810	3,344,810	-
Spouse and children under legal age	-	-	-
4. Mr. Vichai Kulsomphob	100,000	100,000	-
Spouse and children under legal age	-	-	-
5. Miss Petcharat Anantawichai	50,000	50,000	-
Spouse and children under legal age	-	-	-
6. Miss Panida Prayottaweekij	25,000	25,000	-
Spouse and children under legal age	-	-	-
7. Dr. Pojjanee Paniangvait	1,234,480	1,234,480	-
Spouse and children under legal age	-	-	-
8. Mr. Pun Paniangvait	276,870	276,870	-
Spouse and children under legal age	-	-	-
9. Miss Saipin Kittipornpimol	-	-	-
Spouse and children under legal age	-	-	-



### Number of Shares as at 31 December (par value 1 Baht)

Board of Directors and Executives	2022	2021	change
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. Dr. Piyamitr Sritara	-	-	-
Spouse and children under legal age	-	-	-
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	-	-	-
<b>Securities Holder-Advisor</b>			
1. Mrs. Malee Tangjaisanong	483,220	483,220	-
Spouse and children under legal age	-	-	-
<b>Total</b>	<b>23,928,750</b>	<b>23,928,750</b>	<b>-</b>

## 7.5 Employees Information

### Personnel

As of 31 December 2022, the number of employees of the Company is divided by the main field as follows:

(Unit : Person)

Main Department	2022	2021
1. Production	2,167	2,212
2. Sales	2,081	2,052
3. Accounting and Financial	85	84
4. Engineering	176	178
5. Marketing	90	76
6. Other	72	73
<b>Total</b>	<b>4,671</b>	<b>4,675</b>





## Personnel's Remuneration

(Unit: Baht)

Remuneration	2022	2021
Total Salary	762,166,824.25	792,343,380.00
Total Bonus	135,504,915.00	144,274,292.00
Contribution to Provident Fund	24,588,365.25	27,747,789.00
<b>Total</b>	<b>922,260,104.50</b>	<b>964,361,461.00</b>

In addition, the Company and employees have jointly established a provident fund according to the Provident Fund Act, B.E. 2530 established on 11 June 1990, which is to encourage members to have savings for future welfare, as well as being a guarantee for members and their families upon their death, becoming incompetent, resigned from the Company or complete the working period according to the Company regulations by the name "Employee Provident Fund, President Bakery Public Company Limited, which has been registered", with net assets 506,567,201.07 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, 450 employees benefit from such home loaning.

## Personnel Development and Promotion Policy

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 for Employees

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

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



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

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

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

- **Training that focuses on specific development** for encouraging employees to learn in the areas that are relevant to the work performed in order to become skillful such as machinery and production line upkeep, minimize equipment crashes (Break down), cost management and waste reduction designed as a joint training program between 5 S activity and Total Productive Management (TPM) through the "5 S and TPM Synergy" model for senior supervisors and to urge staff to be sensory specialists (Sensory Expert) by knowing the raw components used in manufacture and being able to distinguish the products from touch, smell, taste, visibility and hearing from the tested product. Including understanding the raw materials utilized in manufacture training, skill development as well as the project management knowledge (Project Management) too gain knowledge, understanding and can be a professional and effective project manager, maintenance of air compressors (Air Compressor), Preventive maintenance of the chiller (Chiller), Developing supervisory skills by writing work instructions (Workflow), job presentation techniques, job teaching and effective supervisory procedures for managers to learn and comprehend roles, responsibilities also the use of work applications, management of risk (Risk Management) to enhance productivity and manage the risk to be under acceptable criteria (Risk Appetite). As well as expanding the anti-corruption alliance to develop the sustainable organization.







### • Training with external agencies.

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

However, in 2022, the situation of the epidemic of corona virus 2019 (COVID-19) still needs to be carefully watched. As a result, operations related to learning and training are limited. The company therefore supports the creation of learning materials, providing more online forms to always impart information to employees and self-learning

and being able to provide employees with a picture of various procedures and procedures appropriately to effectively limit the integration of employees and/or speakers from outside the organization.

## Organization Culture Promotion

The Company has established the “Core Values” framework of expected behavior in accordance with its vision to be the foundation for embedding good behavior in all employees under “FARMHOUSE ACTIVE” which consists of



<b>A : Attitude</b>	Positive Attitude towards Oneself, Colleagues, and Organizations.
<b>C : Commitment</b>	Keep the promise, having determination and able to achieve the goals.
<b>T : Teamwork</b>	Work together as a team by knowing their responsibilities.
<b>I : Innovation</b>	Create, improve and innovations.
<b>V : Value</b>	Create value for themselves, organization and the stakeholders.
<b>E : Ethics</b>	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"** In order to increase skills, knowledge, more abilities. Encourage the creation of new works, concepts or innovations which is beneficial to the performance of employees and effective internal management. It is the morale and morale in working for the group of prototype employees, as well as creating motivation for endless development as well as being a good role model for fellow employees.

**2) Training and learning in the ACTIVE Learning** style of teaching and learning, emphasizing on the trainees to participate and interact with learning activities through a variety of practices such as analysis, synthesis, brainstorming, exchange of ideas and doing case studies together, etc.

**3) Assessment of operational behavior according to corporate values (Core Values Behavior)** in addition to assessing performance according to the Key Performance Indicator system (KPIs) to support and promote the development of work behavior of employees at all levels in accordance with the characteristics set by the organization. through human resource management and development tools.

This is to help drive the personnel development and the organization simultaneously, for the highest efficiency, including supporting sustainable growth.

## Handling the Coronavirus Disease 2019 (COVID-19) Pandemic

During the epidemic of the Coronavirus Disease 2019 (COVID-19) that has rapidly and widely spread within Thailand. Currently, the company continues to implement the "control, care, and prevention" safety measures to keep

employees clean and safe which are controlling, establishing policies. Procedures disease screening is done at the establishment's door and continues throughout the business hours. Risk groups are monitored, and all staff members are kept clean by working from home, assisting tools for the workplace, distributing the required personal protective equipment such as face shields, alcohol spray and medical gloves etc. Additionally, offering a flea market for everyday items that are distributed at a discounted rate to employees to avoid going to marketplaces or other communal meeting places. The workplace also has provided a transparent screen between people (Social Distancing). Disseminating information on how to prevent using all available communication channels as well as spraying disinfectants and continually cleaning the area. Additionally, the preventive has offered a weekly initiative-taking check-up and screening service, as well as advocating, organizing and supporting the 2019 Coronavirus Disease vaccine (COVID-19) thoroughly and as quickly as possible to create "herd immunity" within the company and still maintain such measures. There are also alleviation measures for each pandemic circumstance to guarantee ongoing operations and a healthy workforce.

### 1. Control : Setting measures and procedures

#### 1.1 Coronavirus disease 2019 screening procedures for (COVID-19)

Creating a screening area at the entrance to the operation area "limited access." There are staffs working in the area and must wear personal protective equipment which are rubber gloves, face mask and face shield. Employees and visitors must maintain social distancing, wear a mask, and being alcohol-disinfected alternatively, wash their hands with soap and water before going anywhere.





Body temperature checks before entering the area divided into 2 groups: 1.) Employees or people within the organization, they will not be allowed to enter the area if their body temperature is measured to be 37.5oC or above. 2.) Risk group personnel who are discovered to have a body temperature of 37.1oC or above is not allowed to enter the area and before entering the area or work place, they have to walk through the shoe disinfection carpet in front of the entrance to the workplace to record the working time or contact the work according to the procedures. Where individuals who have been screened must immediately notify supervisors or contact people and the Human Resources Department if they become ill or believe they may have been exposed to an infection while at work to take time off work and be held to monitor the symptoms.

## **1.2 Precautions to Preserve a Healthy Internal Environment and Distance**

### **1.2.1 Canteen Area Management**

Establish a specific eating time, employ the overlapped meal break, and set time limits for using the area, including dividing the dining room table and providing a hand-washing station before and after entering the service. Restaurant operators must always wear personal protective equipment while always maintaining a clean environment. Also, for the ordering and payment procedures, it must be in line with 1-2m between each person and accepts payments made through mobile phone channels.

### **1.2.2 Management of Meeting/ Training Rooms**

The operating form “Methods for meetings/training via online system” is the main if it cannot be avoided. set to reduce the number of participants and limit the time by attendees of the meeting/training. Always use a mask and keep a safe distance between individuals when using the microphone, which should be cleaned regularly. Provide hand sanitizer at the entrance-exit point

and inside the meeting room. After the end of the meeting or training, administrative housekeepers will clean the area, tables, chairs, and equipment immediately, as well as clean the meeting room every business day. Meanwhile, encourage proper use and performance in the meeting room by minimizing shouting and/or speaking loudly.

### **1.2.3 Office Space Management**

Before entering the office, they have to go across a carpet that sanitizes shoes. At all times when working, wear a mask, avoid speaking until absolutely necessary and offer support places for clients/visitors within the designated area with the notice “employees perform work in their specific areas, do not cross work area if not necessary” along with cleaning the area both before and after work as well as spraying alcohol on the area of the building, place and equipment. Also limit the number of passengers in elevators, distancing, must wear a mask, refrain from talking, administer alcohol intermittently and must construct dividers where necessary. Consider working from home for those groups that do not affect the internal work and/or services to other departments in driving business activities.

### **1.2.4 Employee Transportation Management**

Set the number of passengers to avoid overcrowding: “sit 1 person per 1 seat with enough space between individuals and always wear a mask.” Avoid conversing, and erect a barrier between the driver and the passenger, as well as disinfecting the seats and handrails immediately after passenger pick-up and drop-off.

### **1.2.5 Toilet Management**

Clean the areas that meet the body and open 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

For employee health care, the company is provided nursing room services outside by having a partition between nurses and staff. Also, they must always wear a mask and set a schedule for spraying disinfectants (Fumigate) according to the plan and/or in an emergency situation. For communal area, there are visitor reception areas, offices and distribution centers (DC) as well as requires the spraying of alcohol on envelopes or packages coming from several locations or the outside. Besides, supporting personal protective equipment by distributing masks and protective equipment to employees including conducting communication and disseminating information about continuous care and prevention across all contact channels.

Make plans to request assistance in avoiding and refraining from cross-province travel, except in the event of force majeure depending on the situation and avoid going into dangerous areas as well as quarantine to monitor symptoms. When visiting a risky area, a test for infection should be done before entering the operation area. Including organizing meetings, discussing, determining procedures and make improvements closely and regularly according to the situation of the epidemic. To comply and meet the standards of the Department of Disease Control. Additionally, each department is given an emergency response plan through risk management to ensure ongoing internal operations and effective administration of staff assistance.

### 2. Care: Follow Up on Risk and Infected Employees

Due to the ongoing expansion and quick dissemination of the Coronavirus Disease 2019 (COVID-19), It affects workers who fit the risk profile and there is a good possibility that they may contract it from family members

or close friends. It is inevitable despite observing the company's preventative and control procedures. However, in terms of hospital access to medical treatment rights, as a result "Farmhouse... Survival Bag" was launched. The project helped contributing symptomatic medication as well as the required medical supplies to take care of oneself at home (Home Isolation).

### 3. Prevention: Reduce The Chance of Infection and Spread

Proactive management in order to monitor and segregate hazardous employees has been introduced by the company by means of quick testing (Rapid Antigen Test) throughout the company at every site. Employees are required to follow policies of the Company and government right away if "positive result" is discovered. Until there is a tendency or a better direction, work in accordance with proactive testing for Coronavirus Disease 2019 (COVID-19) weekly.

Also, the company organized the "Farm House... One Day Market" project which sold survival goods for special prices, held 1-2 days per week and place, to persuade workers not to go grocery shopping in order to lower the risk of infection. The traders in this project must pass both personal cleanliness and swift screening (Rapid Antigen Test) completely in accordance with the company's measures.

With the need to create "Herd immunity" within the company and maintain the health of employees, the company supports public relations through all communication channels, as well as campaigning for employees to have access to vaccination against Coronavirus Disease 2019 (COVID-19) as much as possible and as soon 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 April 2012. The scope of duties and responsibilities of the company secretary are on page 89 and Attachment 1.

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

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

- **Head of Internal Audit**

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

### 7.6.2 List of Head of Investor Relations

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

### 7.6.3 Auditor's Remuneration

The Company's auditors for the year 2022 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 2022 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

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

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

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

At present, the Independent Committee consists of 5 independent directors who have knowledge, expertise, and appropriate experiences. They are qualified according to the definition of independent directors specified by the Capital Market Supervisory Board. They were appointed according to the resolution of the Board of Directors' meeting No. 4/2022 on April 28, 2022.

Name	Position in Company	Position in Independent Director
1. Prof. Dr. Teeravuti Boonyasopon	Chairman of Independent Director	Chairman
2. Mr. Wattanachai Chotechutrakul	Independent Director	Director
3. Prof. Dr. Piyamitr Sritara	Independent Director	Director
4. Mr. Thanapich Mulapruk	Independent Director	Director
5. Mrs. Aim-on Pathumarak	Independent Director	Director

### (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](http://www.farmhouse.co.th)

### Chief Executive Officer Recruitment

In the selection of individuals for positions such as managing director, the Board of Directors will select people who are qualified and suitable. They knowledge, appropriate, abilities, skills, and experience that are beneficial to the Company's operations. The individual must understand the Company's business very well and be able to manage the work to achieve the objectives according to the goals that the Board of Directors can set. In 2022, The Board, therefore, resolved to appoint Mr. Apisate Thammanomai as Managing Director.

### Development of Directors and Executives

Directors and executives place great importance on attending training courses or participating in seminar activities that increase their knowledge through continuous

work and have applied such knowledge to their duties. In 2022, directors and executives participated in training courses related to operations on important topics such as the Lean Accounting course, the Digital Asset & Tax Law Transformative Accounting course (changing accounting practices with digital technology), 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 subcommittees, totaling 3 sets (Audit Committee, Nomination and Remuneration Committee, and the Governance and Risk Management Committee).
- Set a schedule at the end of the annual performance cycle. The secretary of every committee is responsible for sending the performance appraisal form to all directors, and when the committees have completed the assessment form and returned it to the secretary for points calculation.
- Report the average score for each topic assessed with a summary of the overall average score. The secretary of each committee will report to each committee for acknowledgment and record the information in the minutes.
- Criteria for performance appraisal with the calculation and scoring criteria of the performance appraisal form as follows:







1. Performance Appraisal Form scoring criteria

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

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

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

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

In 2022, at the Board of Directors' Meeting No.12/2022, held on 19 December 2022, 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 2022, at the Board of Directors' Meeting No. 12/2022, held on 19 December 2022, 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 2022. 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

Board of Directors Meeting for year 2022

Name	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Investment Committee	AGM	Non-Executive Director
1. Mr. Pipat Paniangvait	<ul style="list-style-type: none"> <li>Honorary Chairman / Director</li> <li>Chairman of the Nomination and Remuneration Committee</li> </ul>	12/12		2/2			1/1	1/1
2. Mr. Apichart Thammanomai	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors and Chairman of the Executive Board</li> <li>Director of the Nomination and Remuneration Committee</li> </ul>	12/12		2/2			1/1	



## Board of Directors Meeting for year 2022

Name	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Investment Committee	AGM	Non-Executive Director
3. Mr. Apisate Thammanomai	<ul style="list-style-type: none"> <li>Managing Director</li> <li>Corporate Governance and Risk Management Committee</li> <li>Investment Committee</li> </ul>	12/12			4/4	1/1	1/1	
4. Mr. Vichai Kulsomphob	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of the Investment Committee</li> </ul>	12/12				1/1	1/1	1/1
5. Miss Petcharat Anantawichai	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> <li>Investment Committee</li> <li>Company Secretary</li> </ul>	12/12			4/4	1/1	1/1	
6. Miss Panida Prayottaweekij	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> </ul>	11/12			4/4		1/1	
7. Dr. Pojjanee Paniangvait	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> </ul>	11/12			4/4		1/1	1/1
8. Mr. Pun Paniangvait	<ul style="list-style-type: none"> <li>Director</li> <li>Investment Committee</li> </ul>	12/12				1/1	1/1	1/1
9. Miss Saipin Kittipornpimol	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> <li>Investment Committee</li> </ul>	12/12			4/4	1/1	1/1	
10. Miss Ubolluck Luevoravinyu	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> <li>Investment Committee</li> </ul>	12/12			4/4	1/1	1/1	
11. Prof. Dr. Teeravut Boonyasopon	<ul style="list-style-type: none"> <li>Chairman of Independent Director and Chairman of Audit Committee</li> </ul>	12/12	4/4				1/1	1/1
12. Mr. Wattanachai Chotechutrakul	<ul style="list-style-type: none"> <li>Independent Director and Audit Committee</li> <li>Director of the Nomination and remuneration Committee</li> </ul>	12/12	4/4	2/2			1/1	1/1



## Board of Directors Meeting for year 2022

Name	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Investment Committee	AGM	Non-Executive Director
13. Prof. Dr. Piyamitr Sritara	• Independent Director	12/12					1/1	1/1
14. Mr. Thanapich Mulaprak	• Independent Director and Audit Committee • Chairman of Corporate Governance and Risk Management Committee	12/12	4/4		4/4		1/1	1/1
15. Mrs. Aim-on Pathumarak	• Independent Director and Audit Committee • Corporate Governance and Risk Management Committee	12/12	4/4		4/4		1/1	1/1
<b>Advisor</b>								
1. Mrs. Malee Tangjaisanong	Advisor	12/12						

## Directors' Remuneration

(1) Monetary compensation for the year ended 31 December 2022

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

(Unit : Baht)

Remuneration	2022		2021	
	Number of Director	Amount	Number of Director	Amount
Director and Advisor Remuneration	16	15,150,000	16	14,472,000
<b>Total</b>		<b>15,150,000</b>		<b>14,472,000</b>

The remuneration for 2022 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)

## Remuneration

Name	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Investment Committee	Total
1. Mr. Pipat Paniangvait	<ul style="list-style-type: none"> <li>Honorary Chairman / Director</li> <li>Chairman of the Nomination and Remuneration Committee</li> </ul>	3,344,000		24,000			3,368,000
2. Mr. Apichart Thammanomai	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors and Chairman of the Executive Board</li> <li>Director of the Nomination and Remuneration Committee</li> </ul>	1,324,000		20,000			1,344,000
3. Mr. Apisate Thammanomai	<ul style="list-style-type: none"> <li>Managing Director</li> <li>Corporate Governance and Risk Management Committee</li> <li>Investment Committee</li> </ul>	1,120,000			40,000	10,000	1,170,000
4. Mr. Vichai Kulsomphob	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of the Investment Committee</li> </ul>	670,000				12,000	682,000
5. Miss Petcharat Anantawichai	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> <li>Investment Committee</li> <li>Company Secretary</li> </ul>	770,000			40,000	10,000	820,000
6. Miss Panida Prayottaweekij	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> </ul>	760,000			40,000		800,000
7. Dr. Pojjanee Paniangvait	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> </ul>	660,000			40,000		700,000
8. Mr. Pun Paniangvait	<ul style="list-style-type: none"> <li>Director</li> <li>Investment Committee</li> </ul>	670,000				10,000	680,000
9. Miss Saipin Kittipornpimol	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> <li>Investment Committee</li> </ul>	770,000			40,000	10,000	820,000
10. Miss Ubolluck Luevoravinyu	<ul style="list-style-type: none"> <li>Director</li> <li>Corporate Governance and Risk Management Committee</li> <li>Investment Committee</li> </ul>	770,000			40,000	10,000	820,000



(Unit: Baht)

## Remuneration

Name	Position	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Investment Committee	Total
11. Prof. Dr. Teeravut Boonyasopon	• Chairman of Independent Director and Chairman of Audit Committee	770,000	48,000				818,000
12. Mr. Wattanachai Chotechutrakul	• Independent Director and Audit Committee • Director of the Nomination and remuneration Committee	670,000	40,000	20,000			730,000
13. Prof. Dr. Piyamitr Sritara	• Independent Director	670,000					670,000
14. Mr. Thanapich Mulapruk	• Independent Director and Audit Committee • Chairman of Corporate Governance and Risk Management Committee	770,000	40,000		48,000		858,000
15. Mrs. Aim-on Pathumarak	• Independent Director and Audit Committee • Corporate Governance and Risk Management Committee	670,000	40,000		40,000		750,000
<b>Total</b>		<b>14,408,000</b>	<b>168,000</b>	<b>64,000</b>	<b>328,000</b>	<b>62,000</b>	<b>15,030,000</b>

Name	Position	Remuneration
1. Mrs. Malee Tangjaisanong	Advisor	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

- Executives are required to report any changes in securities holdings to the Office of the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535. Furthermore, they must submit a copy of the report to the company on the same day it is submitted to the Securities and Exchange Commission.
- Management is prohibited from using undisclosed inside information to trade in the Company's securities before it is made available to the public and is prohibited to disclose material information to others as part of the Company's work regulations.
- The Company's directors, executives, and employees who are in the internal information department are prohibited from trading in the Company's securities during the first month before the disclosure of the financial statements to the public and for 24 hours after the disclosure of the financial statements.

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

### 3. Anti-corruption

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





## Anti-Corruption Policy

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

1. The Company does not act and/or support bribery by giving or receiving gifts, hold a business entertainment, sponsorship, donation, political support, implementation that may cause conflicts of interest, facilitation payment, and hiring government employees. The Company shall operate its business with transparency and auditable.

2. The Company supports raising awareness and values regarding anti-corruption to the Company's directors, executives, and employees to comply with laws, announcements, and related regulations by preparing documents as guidelines.

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

4. The Company provides a mechanism for reporting on financial status with transparency and accuracy. It has efficient and effective internal control system as well as audits and balances for the appropriate use of authority to prevent corruption or involvement with corruption.

5. The Company requires to review the compliance with anti-corruption policy and regulation together with reviewing the guidelines and the requirements to comply with changes in business, laws, and related regulations.

6. The Company provides communication channels to enable the whistle-blowers to report suspicious clues by ensuring that the whistle-blowers are protected.

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

## 1. Fraud Risk Assessment

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

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

- The internal audit department provides a process to examine the appropriateness of the control measures in key departments, such as the recruiting and procurement department, the sales department, the accounting department, etc., to prevent and monitor any potential risks, as well as provide recommendations on improvement guidelines appropriately.
- The head of the relevant department is responsible for monitoring the practices, amendments (if any), and reporting to supervisors according to the field in order.
- Anti-corruption policy and procedure are established as a guideline for the Company's directors, executives, and employees to adopt entirely.
- The Company provides channels for receiving information, clues, or complaints about wrongdoing, law-breaking, violation of rules or the Company's anti-corruption policy and regulation. It has provisions to protect the persons who cooperate in whistleblowing or refuse to fraud and corruption related to the Company from suffering, harm, or unfair treatment resulting from cooperation in anti-corruption.

## 3. Training and Communication

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







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

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

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

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

#### 5. Whistleblowing

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

In 2022, the Company has not received any whistleblower or complaints about corruption violations.

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

### The Audit Committee

In 2022, the Audit Committee consisted of 4 independent directors and held 4 meetings (February, May, August and November). The number of times to attend the meeting is as follows:

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

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

In addition, the Audit Committee has a meeting with the internal audit unit. It has reported the results of the audit and the annual audit plan and has made useful recommendations for various aspects of control, including

reviewing the appropriateness of the charter to ensure that the content of the Charter is consistent with the Company's corporate governance objectives and strategies.

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



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

### (1) Nomination and Remuneration Committee

The Board of Directors has appointed the nomination and remuneration committee as the term of office is 1 year from the date the Board of Directors has passed the resolution to appoint. In 2022, 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 2022, 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	2/2
2. Mr. Apichart Thammanomai	Director of the Nomination and Remuneration Committee	2/2
3. Mr. Wattanachai Chotechutrakul	Director of the Nomination and Remuneration Committee	2/2

In 2022, 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 2022, 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,

#### Remuneration Consideration

Consider the determination of directors' remuneration for the year 2022, consisting of remuneration from the Company in the form of meeting allowance, gratuity, and bonuses or other benefits following the regulations, in addition to receiving allowances and welfare according to the Company's regulations, to be presented to the Board of Directors' meeting and the annual general meeting of shareholders for approval.

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

In 2022, 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	Position in Corporate Governance and Risk Management Committee	No. of Meeting/ No. of Meeting Attendance
1. Mr. Thanapich Mulapruk	Independent Director	Chairman of Corporate Governance and Risk Management Committee	4/4
2. Mr. Apisate Thammanomai	Managing Director	Corporate Governance and Risk Management Committee	4/4
3. Miss Saipin Kittipornpimol	Director and Assistant Managing Director	Corporate Governance and Risk Management Committee	4/4
4. Miss Ubolluck Luevoravinyu	Director and Assistant Managing Director	Corporate Governance and Risk Management Committee	4/4
5. Miss Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager	Corporate Governance and Risk Management Committee	4/4
6. Miss Panida Prayottaweekij	Director and Assistant Managing Director	Corporate Governance and Risk Management Committee	4/4
7. Dr. Pojjanee Paniangvatt	Director	Corporate Governance and Risk Management Committee	4/4
8. Mrs. Aim-on Pathumarak	Independent Director	Corporate Governance and Risk Management Committee	4/4

The Good Governance and Risk Management Committee held four meetings in the past year, with all members in attendance, to fulfill their duties as specified in the committee's charter. The committee effectively supervised the implementation of the risk management process, in accordance with the COSO-ERM 2017 risk management framework, ensuring its systematic and continuous execution. Additionally, the committee conducted a year-long monitoring of potential risks, enabling the company to manage them with maximum efficiency.

The committee also reviewed the suitability of the charter and related policies to ensure they align with the organization's objectives and strategies in corporate governance and risk management. In addition, the committee promoted and encouraged all employees at every level to acquire knowledge and understanding of risk management, with the goal of establishing a culture of risk awareness within the organization. Regular assessments of employee knowledge and understanding were also conducted.

### (3) Investment Committee

During the 10/2022 Board of Directors meeting held on October 17, 2022, it was resolved to establish an Investment Committee consisting of 6 members. The committee met once and the attendance record is as follows:

Name	Position	Position in the Investment Committee	No. of Meeting Attendance/Total
1. Mr. Wichai Kulsompop	Director	Chairman of the Board of Directors	1/1
2. Mr. Apisett Tammonamai	Managing Director	Director	1/1
3. Mr. Pun Paniangvate	Director	Director	1/1
4. Miss Petchrat Anantawichai	Director and CFO of the Accounting and Finance Department	Director	1/1
5. Miss Saipin Kittipornpimol	Director and Assistant Managing Director	Director	1/1
6. Miss Ubonlak Leuawirawinyu	Director and Assistant	Director	1/1

The Investment Committee is responsible for reviewing investment plans to maximize returns for the company while minimizing risks that could impact the company's financial status. Last year, the company invested in Trust Units for Real Estate Investment Trusts and High-rise Building Leasing Rights, totaling 18 million units valued

at 10 baht per unit or 180 million baht in total, as well as investing in 40,000 ordinary shares of King Square Development Limited at a par value of 1,000 baht per share, amounting to 35 million baht, which was approved during the Board of Directors meeting.





#### (4) Independent Directors Committee

In 2022, the independent committee consisting of 5 independent directors, convening a total of 2 meetings (June and December), with the number of meeting attendances as follows:

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

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

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

#### (5) Non-Executive Directors

In 2022, the non-executive directors consisted of 9 directors and held 1 meeting (November) with the number of meeting attendances as follows:

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

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

requirements to control the spread of the virus, resulting in a high number of vaccinated employees. The non-executive directors recommended the appointment of the Investment Committee to ensure appropriate and efficient investment management. Collectively, these efforts contributed to instilling confidence among shareholders.





## Section 2 | Corporate Governance

# 9. Internal Control and Related Transactions

## 9.1 Internal Control

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

### 9.1.1 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). Its 5 components are summarized as follows:

#### 1. Control Environment

The Company has a good, appropriate, and sufficient internal control environment for the efficient and effective business operations. The executives have a philosophy and work style such as having a good attitude, supporting the enterprise culture that focuses on honesty and ethics, being a good model (Tone at the Top), and supporting the performance of accounting, information

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

#### 2. Risk Assessment

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







and communicates on the internal website (Intranet) that all executives and employees are aware of and adhere to, as well as exercise risk assessments at all levels. The Company focuses on 5 different types of risks which are strategy, operation, finance, compliance, and reputation. The Corporate Risk Dashboard is prepared to identify and analyze all risks involved in each unit, including specifying existing controls and additional controls to reduce the level of impact and the likelihood of an incident being within an acceptable risk level (Risk Appetite).

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

### 3. Control activities

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

and controlling the worthiness of the spending for utmost benefit.

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

### 4. Information and Communication

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

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





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

## 5. Monitoring and Evaluation

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

The Company adopts an evaluation monitoring system of the Balance Scorecard system which has key performance indicators (KPIs) as a tool to measure performance of management division and employees continuously throughout the organization to be in line with vision, mission, business strategy, and core values set by the Company. Every department shall report its performance and compare it with the goals of the each indicator that is monthly set along with regular and continual follow-up.

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

### 9.12 Board of Directors' Opinion on the Internal Control System

At the Board of Directors' Meeting No. 2/2023 on 20 February 2023, 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 2022 by EY Office Company Limited, who reviewed the quarterly financial statements and audited the 2022 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.

### 9.13 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 2022, 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 2022, 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 2022. The auditor stated that such transactions were normal business. The details of the said transaction are as follows.

Person who may have conflict of interest	Nature of relationship	Item Characteristics	Transaction Value (Million Baht)			Pricing Policy and Transaction Rationality
			For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2020	
1. Thai President Foods Public Company Limited ("TFMAMA")	<ul style="list-style-type: none"> <li>TFMAMA holds shares in the Company accounted for 51.99%</li> <li>There are common directors as follows: Mr. Pipat Paniangvait Mr. Apichart Thammanomai</li> </ul>	<ul style="list-style-type: none"> <li>dividends paid</li> <li>Raw materials purchasing</li> <li>service charge</li> </ul>	449.21	416.45 - 0.02	479.62 0.004	as declared trading conditions Conduct business as usual with general
2. Saha Pathana Inter Public Holding Public Company Limited ("SPI")	<ul style="list-style-type: none"> <li>SPI holds 21.79% shares of the Company</li> <li>There are common directors as follows: Mr. Pipat Paniangvait Mr. Vichai Kulsomphob</li> </ul>	<ul style="list-style-type: none"> <li>dividends paid</li> </ul>	188.26	174.51	200.75	as declared
3. Kerry Flour Mill ("Kerry")	<ul style="list-style-type: none"> <li>Has the same major Company Limited shareholder, i.e. TFMAMA holding 39.0% shares in Kerry</li> <li>There are common directors as follows: Mr. Apichart Thammanomai and Dr. Pojjanee Paniangvait</li> </ul>	<ul style="list-style-type: none"> <li>The Company purchases wheat flour to be used as raw material for bread and bakery and production</li> </ul>	442.54	430.51	469.36	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"> <li>Has the same major shareholder, TFMAMA, which holds 50.10% in Daiichi</li> <li>There are common directors, namely Mr. Pipat Paniangvait and Mr. Pun Paniangvait</li> </ul>	<ul style="list-style-type: none"> <li>The Company purchases packaging such as fruit pie film, deli sandwich film, hot dog bread film.</li> </ul>	-	0.81	2.55	Agreed price which is close to the market price taking into account the purchase quantity.
5. Saha Pathanapibul Public Company Limited ("SPC")	<ul style="list-style-type: none"> <li>SPI holds 1.03% shares of the Company.</li> <li>There are connected directors</li> </ul>	<ul style="list-style-type: none"> <li>Sugar raw materials purchasing company</li> <li>Miscellaneous items purchasing company such as detergents.</li> <li>dividends paid</li> </ul>	10.38 0.20 8.93	11.05 0.32 8.28	5.83 9.53	Agreed price which is close to the market price taking into account the purchase quantity. as declared



Person who may have conflict of interest	Nature of relationship	Item Characteristics	Transaction Value (Million Baht)			Pricing Policy and Transaction Rationality
			For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2020	
6. American Food Company Limited ("BUD's")	<ul style="list-style-type: none"> <li>The Company holds 9% shares</li> <li>There are common directors: Mr. Apisate Thammanomai, Mr. Vichai Kulsomphob and Dr. Pojjanee Paniangvait</li> </ul>	<ul style="list-style-type: none"> <li>Purchased Ice Cream</li> </ul>		-	0.02	Agreed price which is close to the market price taking into account the purchase quantity.
7. President Green House Foods Company Limited ("PGH")	<ul style="list-style-type: none"> <li>The Company holds a 39% stake in PGH.</li> <li>There are common directors: Mr. Apisate Thammanomai, Ms. Petcharat Anantawichai, Miss Saipin Kittipompimol</li> </ul>	<ul style="list-style-type: none"> <li>The Company sells products to PGH such as breadcrumbs.</li> <li>Servicing to other companies</li> <li>Dividends received</li> </ul>	2.97 3.36 3.22	1.96 2.45 1.73	2.47 3.29 2.05	Mutually agreed price which is close to the market price Agreed rate which is close to the market price as declared

## Necessity and Rationality of Related Transactions

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

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

In 2022, 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 2022

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.

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, 2022.

**(Mr. Apichart Thammanomai)**

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

**(Mr. Apisate Thammanomai)**

Managing Director





## Section 3 | Financial Statements

# Independent Auditor's Report

### To the Shareholders of President Bakery Public Company Limited

#### Opinion

I have audited the accompanying statement of financial position, in which the equity method is applied, of President Bakery Public Company Limited ("the Company") as at 31 December 2022, 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 2022, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

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

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

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

#### Revenue recognition

Sales of goods are significant accounting transactions as the amounts recorded are material and directly affect profit or loss of the 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: 20 February 2023





## Section 3 | Financial Statements

# Statements of Financial Position

President Bakery Public Company Limited

As at 31 December 2022

(Unit: Baht)

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	648,943,516	389,769,346	648,943,516	389,769,346
Trade and other receivables	7, 9	1,003,364,160	871,297,832	1,003,364,160	871,297,832
Inventories	8	208,897,887	189,656,519	208,897,887	189,656,519
Other current financial assets	11	4,719,326,616	4,216,190,679	4,719,326,616	4,216,190,679
Other current assets		16,570,315	11,376,835	16,570,315	11,376,835
<b>Total current assets</b>		6,597,102,494	5,678,291,211	6,597,102,494	5,678,291,211
<b>Non-current assets</b>					
Investment in joint venture	10	34,788,362	31,346,410	5,850,000	5,850,000
Other non-current financial assets	11	2,186,542,527	2,069,776,347	2,186,542,527	2,069,776,347
Property, plant and equipment	12	3,334,261,519	3,425,884,901	3,334,261,519	3,425,884,901
Right-of-use assets	15.1	28,544,272	8,986,926	28,544,272	8,986,926
Advance payments for purchase of assets		3,407,564	4,974,601	3,407,564	4,974,601
Intangible assets	13	11,565,660	11,510,290	11,565,660	11,510,290
Other non-current assets		4,768,942	3,435,770	4,768,942	3,435,770
<b>Total non-current assets</b>		5,603,878,846	5,555,915,245	5,574,940,484	5,530,418,835
<b>Total assets</b>		12,200,981,340	11,234,206,456	12,172,042,978	11,208,710,046

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 2022**

(Unit: Baht)

		Financial statements in which			
		the equity method is applied		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	9, 14	782,497,657	638,543,338	782,497,657	638,543,338
Current portion of lease liabilities	15.2	12,444,131	5,754,733	12,444,131	5,754,733
Corporate income tax payable		139,254,581	123,905,202	139,254,581	123,905,202
Accrued expenses		198,998,894	207,304,206	198,998,894	207,304,206
Other current liabilities		11,134,310	3,082,446	11,134,310	3,082,446
Total current liabilities		1,144,329,573	978,589,925	1,144,329,573	978,589,925
Non-current liabilities					
Lease liabilities, net of current portion	15.2	15,564,031	3,500,478	15,564,031	3,500,478
Deferred tax liabilities	22	4,971,294	19,180,092	4,971,294	19,180,092
Provision for long-term employee benefits	16	97,733,611	88,472,541	97,733,611	88,472,541
Other non-current liabilities		4,402,504	3,989,512	4,402,504	3,989,512
Total non-current liabilities		122,671,440	115,142,623	122,671,440	115,142,623
Total liabilities		1,267,001,013	1,093,732,548	1,267,001,013	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	450,000,000
Issued and fully paid-up					
450,000,000 ordinary shares of Baht 1 each		450,000,000	450,000,000	450,000,000	450,000,000
Share premium		674,379,513	674,379,513	674,379,513	674,379,513
Retained earnings					
Appropriated - statutory reserve	17	45,000,000	45,000,000	45,000,000	45,000,000
Unappropriated		9,686,304,962	8,851,568,103	9,657,366,600	8,826,071,693
Other components of shareholders' equity		78,295,852	119,526,292	78,295,852	119,526,292
Total shareholders' equity		10,933,980,327	10,140,473,908	10,905,041,965	10,114,977,498
Total liabilities and shareholders' equity		12,200,981,340	11,234,206,456	12,172,042,978	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 2022**

(Unit: Baht)

		Financial statements in which the equity method is applied		Separate financial statements	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	25	7,528,859,650	7,159,937,299	7,528,859,650	7,159,937,299
Other income	18	42,108,959	47,675,195	45,326,459	49,400,945
<b>Total revenues</b>		<u>7,570,968,609</u>	<u>7,207,612,494</u>	<u>7,574,186,109</u>	<u>7,209,338,244</u>
<b>Expenses</b>	21				
Cost of sales		4,048,934,615	3,773,531,275	4,048,934,615	3,773,531,275
Selling and distribution expenses		1,368,588,902	1,335,448,332	1,368,588,902	1,335,448,332
Administrative expenses		266,656,453	245,536,287	266,656,453	245,536,287
<b>Total expenses</b>		<u>5,684,179,970</u>	<u>5,354,515,894</u>	<u>5,684,179,970</u>	<u>5,354,515,894</u>
<b>Operating profit</b>		<u>1,886,788,639</u>	<u>1,853,096,600</u>	<u>1,890,006,139</u>	<u>1,854,822,350</u>
Share of profit from investment in joint venture	10.2	6,781,244	3,252,972	-	-
Finance income	19	55,781,025	45,910,044	55,781,025	45,910,044
Finance cost	20	(889,684)	(671,610)	(889,684)	(671,610)
<b>Profit before income tax expenses</b>		<u>1,948,461,224</u>	<u>1,901,588,006</u>	<u>1,944,897,480</u>	<u>1,900,060,784</u>
Income tax expenses	22	(241,488,575)	(213,914,363)	(241,488,575)	(213,914,363)
<b>Profit for the year</b>		<u>1,706,972,649</u>	<u>1,687,673,643</u>	<u>1,703,408,905</u>	<u>1,686,146,421</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 2022**

(Unit: Baht)

Note	Financial statements in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Loss on changes in value of debt investment designated at fair value through other comprehensive income - net of income tax	(10,378,572)	(5,783,836)	(10,378,572)	(5,783,836)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(10,378,572)	(5,783,836)	(10,378,572)	(5,783,836)
<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	(25,511,794)	9,716,296	(25,511,794)	9,716,296
Actuarial loss- net of income tax	(13,454,072)	-	(13,454,072)	-
Share of actuarial loss of joint venture - net of income tax	(121,792)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(39,087,658)	9,716,296	(38,965,866)	9,716,296
<b>Other comprehensive income for the year</b>	<b>(49,466,230)</b>	<b>3,932,460</b>	<b>(49,344,438)</b>	<b>3,932,460</b>
<b>Total comprehensive income for the year</b>	<b>1,657,506,419</b>	<b>1,691,606,103</b>	<b>1,654,064,467</b>	<b>1,690,078,881</b>
<b>Earnings per share</b>				
Basic earnings per share	3.79	3.75	3.79	3.75

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 2022

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			
<b>Balance as at 1 January 2021</b>		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 FVOCI to retained earnings		-	-	-	24,077,242	(24,077,242)	-	
<b>Balance as at 31 December 2021</b>		450,000,000	674,379,513	45,000,000	8,851,568,103	119,526,292	10,140,473,908	
<b>Balance as at 1 January 2022</b>		450,000,000	674,379,513	45,000,000	8,851,568,103	119,526,292	10,140,473,908	
Profit for the year		-	-	-	1,706,972,649	-	1,706,972,649	
Other comprehensive income for the year		-	-	-	(13,575,864)	(35,890,366)	(49,466,230)	
Total comprehensive income for the year		-	-	-	1,693,396,785	(35,890,366)	1,657,506,419	
Dividend payment	24	-	-	-	(864,000,000)	-	(864,000,000)	
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings		-	-	-	5,340,074	(5,340,074)	-	
<b>Balance as at 31 December 2022</b>		450,000,000	674,379,513	45,000,000	9,686,304,962	78,295,852	10,933,980,327	

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 2022

	Separate financial statements						(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Fair value reserve of financial assets at FVOCI	
				Appropriated - statutory reserve	Unappropriated		
						Total	
<b>Balance as at 1 January 2021</b>		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 FVOCI to retained earnings		-	-	-	24,077,242	(24,077,242)	-
<b>Balance as at 31 December 2021</b>		450,000,000	674,379,513	45,000,000	8,826,071,693	119,526,292	10,114,977,498
<b>Balance as at 1 January 2022</b>		450,000,000	674,379,513	45,000,000	8,826,071,693	119,526,292	10,114,977,498
Profit for the year		-	-	-	1,703,408,905	-	1,703,408,905
Other comprehensive income for the year		-	-	-	(13,454,072)	(35,890,366)	(49,344,438)
Total comprehensive income for the year		-	-	-	1,689,954,833	(35,890,366)	1,654,064,467
Dividend payment	24	-	-	-	(864,000,000)	-	(864,000,000)
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings		-	-	-	5,340,074	(5,340,074)	-
<b>Balance as at 31 December 2022</b>		450,000,000	674,379,513	45,000,000	9,657,366,600	78,295,852	10,905,041,965

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 2022**

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>				
Profit before tax	1,948,461,224	1,901,588,006	1,944,897,480	1,900,060,784
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	378,981,403	425,423,458	378,981,403	425,423,458
Gain on disposals of property, plant and equipment	(1,150,081)	(667,945)	(1,150,081)	(667,945)
Share of profit from investment in joint venture	(6,781,244)	(3,252,972)	-	-
Gain on sales of other current financial assets	(61,256)	(220,435)	(61,256)	(220,435)
(Gain) loss on sales of other non-current financial assets	10,655,746	(31,703,653)	10,655,746	(31,703,653)
Gain from sales of equity instruments not recognised in profit or loss	6,675,093	30,096,553	6,675,093	30,096,553
Unrealised gain on exchange	(322,512)	(140,974)	(322,512)	(140,974)
(Gain) loss from fair value measurement of financial assets	9,239,111	(41,080)	9,239,111	(41,080)
Provision for long-term employee benefits	4,603,205	8,086,497	4,603,205	8,086,497
Dividend income from listed equity investments	(10,393,191)	(8,609,476)	(10,393,191)	(8,609,476)
Dividend income from joint venture	-	-	(3,217,500)	(1,725,750)
Dividend income from non-listed equity investment	(5,850,000)	(7,350,000)	(5,850,000)	(7,350,000)
Finance income	(55,781,025)	(45,910,044)	(55,781,025)	(45,910,044)
Finance cost	889,684	671,610	889,684	671,610
Profit from operating activities before changes in operating assets and liabilities	2,279,166,157	2,267,969,545	2,279,166,157	2,267,969,545
Decrease (increase) in operating assets				
Trade and other receivables	(117,334,155)	(117,723,537)	(117,334,155)	(117,723,537)
Inventories	(19,241,368)	(21,344,600)	(19,241,368)	(21,344,600)
Other current assets	(5,193,480)	2,391,060	(5,193,480)	2,391,060
Other non-current assets	(1,333,172)	625,087	(1,333,172)	625,087
Increase (decrease) in operating liabilities				
Trade and other payables	83,916,605	65,276,630	83,916,605	65,276,630
Other current liabilities	(7,891,339)	(17,392,957)	(7,891,339)	(17,392,957)
Other non-current liabilities	412,992	159,110	412,992	159,110
Provision for long-term employee benefits	(11,195,922)	(15,715,507)	(11,195,922)	(15,715,507)
Cash from operating activities	2,201,306,318	2,164,244,831	2,201,306,318	2,164,244,831
Cash paid for income tax	(228,975,689)	(204,706,420)	(228,975,689)	(204,706,420)
<b>Net cash from operating activities</b>	<b>1,972,330,629</b>	<b>1,959,538,411</b>	<b>1,972,330,629</b>	<b>1,959,538,411</b>

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





## Section 3 | Financial Statements

# Statements of Cash Flows (Continued)

**President Bakery Public Company Limited**  
**For the year ended 31 December 2022**

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Cash flows from investing activities</b>				
Cash paid for other current financial assets	(6,627,725,874)	(6,363,361,436)	(6,627,725,874)	(6,363,361,436)
Cash paid for other non-current financial assets	(1,609,614,696)	(2,879,105,876)	(1,609,614,696)	(2,879,105,876)
Cash received from sales of other current financial assets	6,323,762,322	6,467,000,316	6,323,762,322	6,467,000,316
Cash received from sales of other non-current financial assets	1,210,224,250	1,801,213,196	1,210,224,250	1,801,213,196
Acquisitions of property, plant and equipment	(217,453,923)	(221,467,599)	(217,453,923)	(221,467,599)
Proceeds from disposals of property, plant and equipment	1,371,050	1,115,566	1,371,050	1,115,566
(Increase) decrease in advance payments for purchase of assets	1,567,037	(4,432,452)	1,567,037	(4,432,452)
Increase in intangible assets	(1,505,875)	(2,150,300)	(1,505,875)	(2,150,300)
Interest received	62,907,193	56,846,995	62,907,193	56,846,995
Dividend income from listed equity investments	10,326,474	8,652,852	10,326,474	8,652,852
Dividend income from joint venture	3,217,500	1,725,750	3,217,500	1,725,750
Dividend income from non-listed equity investment	5,850,000	7,350,000	5,850,000	7,350,000
<b>Net cash used in investing activities</b>	<u>(837,074,542)</u>	<u>(1,126,612,988)</u>	<u>(837,074,542)</u>	<u>(1,126,612,988)</u>
<b>Cash from financing activities</b>				
Payment of principal portion of lease liabilities	(11,192,233)	(9,837,682)	(11,192,233)	(9,837,682)
Cash paid for interest expenses	(889,684)	(671,610)	(889,684)	(671,610)
Dividend payments	<u>(864,000,000)</u>	<u>(801,000,000)</u>	<u>(864,000,000)</u>	<u>(801,000,000)</u>
<b>Net cash used in financing activities</b>	<u>(876,081,917)</u>	<u>(811,509,292)</u>	<u>(876,081,917)</u>	<u>(811,509,292)</u>
<b>Net increase in cash and cash equivalents</b>	259,174,170	21,416,131	259,174,170	21,416,131
Cash and cash equivalents at beginning of year	<u>389,769,346</u>	<u>368,353,215</u>	<u>389,769,346</u>	<u>368,353,215</u>
<b>Cash and cash equivalents at end of year (Note 6)</b>	<u><u>648,943,516</u></u>	<u><u>389,769,346</u></u>	<u><u>648,943,516</u></u>	<u><u>389,769,346</u></u>
<b>Supplementary disclosures of cash flows information</b>				
Non-cash related transactions				
Other payables for acquisitions of property, plant and equipment and retention	71,198,251	12,912,392	71,198,251	12,912,392
Acquisition of right-of-use assets under lease contracts	30,377,400	3,629,392	30,377,400	3,629,392

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 2022**

### 1. General information

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

### 2. Basis of preparation

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 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 providing accounting guidance for users of the standards.

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





### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

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 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that the 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	6	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.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Cash	1,231	954
Bank deposits	347,713	188,815
Fixed deposit receipts	300,000	200,000
Total	<u>648,944</u>	<u>389,769</u>

As at 31 December 2022, bank deposits in savings accounts, fixed deposits and fixed deposit receipts carried interests between 0.10 and 1.50 percent per annum (2021: between 0.05 and 1.10 percent per annum).





## 7. Trade and other receivables

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	482	379
Total trade receivables - related parties	482	379
<u>Trade receivables - unrelated parties</u>		
Not yet due	545,214	469,578
Past due		
Up to 3 months	445,645	392,384
Total trade receivables - unrelated parties	990,859	861,962
Total trade receivables	991,341	862,341
<u>Other receivables</u>		
Other receivables - related party	209	232
Other receivables - unrelated parties	11,814	8,725
Total other receivables	12,023	8,957
Total trade and other receivables	1,003,364	871,298

## 8. Inventories

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Finished goods	5,024	3,779
Work in process	3,904	3,407
Raw materials	108,324	97,069
Packaging materials	36,754	34,178
Spare parts and factory supplies	54,892	51,224
Total	208,898	189,657





## 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>2022</u>	<u>2021</u>	<u>Transfer pricing and lending policy</u>
<b>Transactions with parent company</b>			
Dividend payment	449.2	416.5	At the declared rate
<b>Transactions with related companies</b>			
Purchases of goods	508.3	469.5	Agreed price which approximates the market price by reference to purchase volume
Dividend payment	209.0	188.3	At the declared rate
Dividend income	5.9	7.4	At the declared rate
<b>Transactions with joint venture</b>			
Sales of goods	3.0	2.0	Agreed price which approximates the market price
Service income	2.8	1.8	Agreed price which approximates the market price
Rental income	0.6	0.6	Agreed price which approximates the market price
Dividend income	3.2	1.7	At the declared rate

The balances of accounts as at 31 December 2022 and 2021 between the Company and those related persons or parties are as follows:

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
<b>Trade and other receivables - related parties (Note 7)</b>		
Joint venture (related by the Company holding interest in that company and by common shareholders and common directors)	691	611
Total trade and other receivables - related parties	<u>691</u>	<u>611</u>
<b>Trade and other payables - related parties (Note 14)</b>		
Related companies (related by having holding interest in the Company and/or by common shareholders and common directors)	125,072	96,571
Connected companies (related by connected directors)	1,222	1,204
Total trade and other payables - related parties	<u>126,294</u>	<u>97,775</u>





### Directors' and management's remuneration

During the years ended 31 December 2022 and 2021, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	54.7	57.7
Post-employment benefits and other long-term benefits	0.8	1.3
Total	<u>55.5</u>	<u>59.0</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	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	
		Million Baht	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
			Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
President Green House Foods Company Limited	Operating the Japanese restaurant	15	39	39	34,788	31,346	5,850	5,850
Total investment in joint venture					<u>34,788</u>	<u>31,346</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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
President Green House Foods Company Limited	6,781	3,253	(122)	-	3,217	1,726
Total	<u>6,781</u>	<u>3,253</u>	<u>(122)</u>	<u>-</u>	<u>3,217</u>	<u>1,726</u>



### 10.3 Summarised financial information of joint venture

Summarised information about financial position

		(Unit: Million Baht)	
		As at 31 December	
		<u>2022</u>	<u>2021</u>
<b>President Green House Foods Company Limited</b>			
Cash and cash equivalents		14.6	15.4
Other current assets		82.0	71.1
Non-current assets		33.6	13.5
Other current liabilities		(26.4)	(14.9)
Non-current liabilities		(14.6)	(4.7)
<b>Net assets</b>		<b>89.2</b>	<b>80.4</b>
Shareholding percentage		39%	39%
<b>Share of net assets</b>		<b>34.8</b>	<b>31.3</b>
<b>Carrying amounts of joint venture based on equity method</b>		<b>34.8</b>	<b>31.3</b>

Summarised information about comprehensive income

		(Unit: Million Baht)	
		For the years ended 31 December	
		<u>2022</u>	<u>2021</u>
<b>President Green House Foods Company Limited</b>			
Sales and service income		106.5	63.1
Other income		1.3	5.6
Expenses		85.6	58.0
Finance cost		0.5	0.6
Income tax expenses		4.3	1.8
Profit for the year		17.4	8.3
Total comprehensive income for the year		17.1	8.3







## 11. Other financial assets

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
<u>Debt instruments at amortised cost</u>		
Fixed deposits	3,690,852	3,219,180
Total debt instruments at amortised cost	3,690,852	3,219,180
<u>Debt instruments at FVOCI</u>		
Bank of Thailand bonds	1,292,369	1,371,399
Corporate bonds, notes or debt instruments	808,362	742,877
Total debt instruments at FVOCI	2,100,731	2,114,276
<u>Equity instruments designated at FVOCI</u>		
Listed equity instruments		
Airports of Thailand Public Co., Ltd.	27,600	13,554
Gulf Energy Development Public Co., Ltd.	18,677	10,291
C.P. ALL Public Co., Ltd	15,479	9,936
Others	329,194	304,585
Non-listed equity instruments		
Saha Capital Tower Co., Ltd.	275,000	275,000
President Flour Mills Co., Ltd.	182,040	200,688
King Square Development Co., Ltd.	35,387	-
Others	10,000	12,905
Mutual funds and unit trusts		
Hydrogen Freehold and Leasehold Real Estate Investment Trust	180,000	-
Others	27,390	30,850
Total equity instruments designated at FVOCI	1,100,767	857,809
<u>Financial assets at FVTPL</u>		
Open-end fund	13,520	94,673
Derivative assets (Note 30)	-	29
Total financial assets at FVTPL	13,520	94,702
<b>Total other financial assets</b>	<b>6,905,870</b>	<b>6,285,967</b>
<b>Classified as:</b>		
Other current financial assets	4,719,327	4,216,191
Other non-current financial assets	2,186,543	2,069,776
<b>Total other current financial assets</b>	<b>6,905,870</b>	<b>6,285,967</b>





	(Unit: Million Baht)			
	31 December 2022		31 December 2021	
	Cost	Fair value	Cost	Fair value
<b>Financial assets</b>				
Quoted debt investments	2,106	2,101	2,108	2,114
Non-listed equity investments	400	502	367	489
Listed equity investments	379	391	313	338
Mutual fund and unit trust investments	212	207	32	31
Open-end fund investments	23	14	95	95
<b>Total</b>	<b>3,120</b>	<b>3,215</b>	<b>2,915</b>	<b>3,067</b>

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 2022, 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 485.3 million (2021: Baht 559.6 million) and the accumulated gain recognised in other comprehensive income net of income tax of Baht 5.3 million (2021: accumulated gain recognised in other comprehensive income net of income tax of Baht 24.1 million) was transferred to retained earnings.

During the year 2022, the Company received dividend income of Baht 5.9 million (2021: Baht 7.4 million) from President Flour Mills Company Limited.

In addition, during the year 2022, the Company received dividends in the amount of Baht 10.4 million (2021: Baht 8.6 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.

On 21 November 2022, the meeting of the Board of Directors of the Company passed a resolution approving the Company to purchase 18 million units of Hydrogen Freehold and Leasehold Real Estate Investment Trust which invested in factory buildings and warehouses for rent at par value of Baht 10 per unit, amounting to Baht 180 million, or equivalent to 8.7 percent of all units. This REIT fully called up and the Company fully made payment in November 2022. The Company has treated this investment as equity instruments designated at FVOCI.

On 21 November 2022, the meeting of the Board of Directors of the Company passed a resolution approving the Company to purchase 40,000 ordinary shares of King Square Development Co., Ltd. from Thanulux Public Co., Ltd. at par value of Baht 1000 per share with share premium, amounting to Baht 40.4 million, or equivalent to 5 percent of all shares. The Company made payment for shares 75 percent with share premium to Thanulux Public Co., Ltd. of Baht 30.4 million and paid for called up shares of 12.5 percent to King Square Development Co., Ltd. of Baht 5.0 million in December 2022. 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
<b>Cost</b>							
1 January 2021	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
Additions	29,000	-	-	33,742	1,026	211,972	275,740
Transfers in (out)	-	14,867	23,105	30,080	87,029	(155,081)	-
Disposals	-	-	(450)	(12,557)	(5,408)	-	(18,415)
31 December 2022	1,286,068	2,034,570	4,631,186	1,086,742	1,123,986	101,955	10,264,507
<b>Accumulated depreciation</b>							
1 January 2021	-	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
Depreciation for the year	-	95,181	200,612	54,484	16,866	-	367,143
Depreciation - disposals	-	-	(450)	(12,336)	(5,408)	-	(18,194)
31 December 2022	-	985,495	3,943,035	976,878	1,024,838	-	6,930,246
<b>Net book value</b>							
31 December 2021	1,257,068	1,129,389	865,658	100,747	27,959	45,064	3,425,885
31 December 2022	1,286,068	1,049,075	688,151	109,864	99,148	101,955	3,334,261
<b>Depreciation for the year</b>							
2021 (Baht 342 million included in manufacturing cost, and the balance included in selling and administrative expenses)							413,845
2022 (Baht 304 million included in manufacturing cost, and the balance included in selling and administrative expenses)							367,143

As at 31 December 2022, 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 4,873.3 million (2021: Baht 4,304.6 million).

As at 31 December 2022, the Company has plant and equipment which was held for sales, with net book value amounting to Baht 0.3 million (2021: 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>2022</u>	<u>2021</u>
<b>Cost</b>		
Balance - beginning of year	38,434	36,283
Additions	1,506	2,151
Balance - end of year	39,940	38,434
Less: Accumulated amortisation	(28,374)	(26,924)
Net book value	<u>11,566</u>	<u>11,510</u>
Amortisation expenses included in the statements of comprehensive income	<u>1,450</u>	<u>1,795</u>

### 14. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Trade payables - related parties	120,022	96,996
Trade payables - unrelated parties	481,233	419,866
Other payables - related parties	1,350	779
Other payables - unrelated parties	116,267	110,216
Other payables for acquisitions of property, plant and equipment - related party	4,922	-
Other payables for acquisitions of property, plant and equipment - unrelated parties	58,704	10,686
Total trade and other payables	<u>782,498</u>	<u>638,543</u>







## 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 3 - 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 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)		
	Buildings and improvements	Furniture and office equipment	Total
1 January 2021	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
Additions	30,377	-	30,377
Remeasurement/termination	(432)	-	(432)
Depreciation for the year	(9,368)	(1,020)	(10,388)
31 December 2022	27,788	756	28,544

### 15.2 Lease liabilities

	(Unit: Thousand Baht)	
	31 December 2022	31 December 2021
Lease payments	30,023	9,737
Less: Deferred interest expenses	(2,015)	(482)
Net	28,008	9,255
Less: Portion due within one year	(12,444)	(5,755)
Lease liabilities - net of current portion	15,564	3,500



Movement of lease liabilities for the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Balance at beginning of year	9,255	15,619
Addition during the year	30,377	3,629
Remeasurement/termination	(432)	(156)
Accretion of interest	890	672
Repayment during the year	(12,082)	(10,509)
Balance at end of year	<u>28,008</u>	<u>9,255</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>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	10,388	9,784
Interest expense on lease liabilities	890	672
Expense relating to short-term leases	1,704	1,504
Expense relating to variable lease payments that do not depend on an index or a rate	13,544	9,514

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 2022 of Baht 27.3 million (2021: Baht 21.5 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 30.4 million (2021: Baht 3.6 million).





## 16. Provision for long-term employee benefits

	(Unit: Thousand Baht)		
	Employee retirement benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee benefits as at</b>			
<b>1 January 2021</b>	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)
<b>Provision for long-term employee benefits as at</b>			
<b>31 December 2021</b>	81,728	6,744	88,472
Included in profit or loss:			
Current service cost	4,932	658	5,590
Interest cost	1,255	53	1,308
Actuarial (gain) loss arising from			
Demographic assumptions changes	-	501	501
Financial assumptions changes	-	(105)	(105)
Experience adjustments	-	(2,690)	(2,690)
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
Demographic assumptions changes	226	-	226
Financial assumptions changes	(9,510)	-	(9,510)
Experience adjustments	25,138	-	25,138
Benefits paid during the year	(10,866)	(330)	(11,196)
<b>Provision for long-term employee benefits as at</b>			
<b>31 December 2022</b>	92,903	4,831	97,734

The Company expects to pay Baht 16.0 million of long-term employee benefits during the next year (2021: Baht 9.3 million).





As at 31 December 2022 and 2021, the weighted average duration of the liabilities for long-term employee benefits are summarised below.

	(Unit: Year)	
	<u>2022</u>	<u>2021</u>
Employee retirement benefits		
(depending on category of employees and type of benefits)	11.2	11.4
Other long-term employee benefits		
(depending on category of employees)	11.2	11.4

Significant actuarial assumptions are summarised below.

	<u>2022</u>	<u>2021</u>
	(% per annum) (% per annum)	
Discount rate	1.4 - 2.2	1.3 - 1.5
(depending on category of employees and type of benefits)		
Salary increase rate	2.6 - 2.7	2.0 - 3.0
(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 2022 and 2021 are summarised below.

	(Unit: Million Baht)			
	As at 31 December 2022			
	Discount rate		Salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Employee retirement benefits	(5.9)	6.6	3.2	(3.1)
Other long-term employee benefits	(0.2)	0.2	-	-

	(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	-	-





## 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Dividend income from investments	16,243	15,960	16,243	15,960
Gain on sales of FVOCI debt instruments	-	2,248	-	2,248
Other income	25,866	29,467	29,083	31,193
<b>Total</b>	<u>42,109</u>	<u>47,675</u>	<u>45,326</u>	<u>49,401</u>

## 19. Finance income

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest income on debt instruments measured at amortised cost	30,077	26,650	30,077	26,650
Interest received from debt instruments at FVOCI	25,704	19,260	25,704	19,260
<b>Total</b>	<u>55,781</u>	<u>45,910</u>	<u>55,781</u>	<u>45,910</u>

## 20. Finance cost

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Interest expenses on lease liabilities	890	672
<b>Total</b>	<u>890</u>	<u>672</u>







## 21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Raw materials and consumables used	2,868,857	2,552,700
Changes in inventories of finished goods and work in process	(1,742)	1,034
Salaries and wages and other employee benefits	1,500,235	1,557,237
Depreciation and amortisation	378,981	425,423
Fuel and vehicle related expenses	290,006	241,321
Water and electricity expenses	188,516	174,188
Natural gas expenses	74,505	60,761

## 22. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>		
Current income tax charge	244,325	219,310
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(2,836)	(5,396)
<b>Income tax expenses reported in the profit or loss</b>	<u>241,489</u>	<u>213,914</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Deferred tax relating to:		
Actuarial loss	(2,400)	-
Loss on changes in value of financial asset measured at FVOCI	(10,308)	(5,036)
	<u>(12,708)</u>	<u>(5,036)</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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	1,948,461	1,901,588	1,944,897	1,900,061
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	389,692	380,318	388,979	380,012
Effects of:				
Promotional privileges (Note 25)	(143,045)	(162,673)	(143,045)	(162,673)
Non-deductible expenses	500	559	500	559
Additional expense deductions allowed	(3,132)	(2,169)	(3,132)	(2,169)
Income not subject to tax	(2,526)	(2,121)	(1,813)	(1,815)
Total	(148,203)	(166,404)	(147,490)	(166,098)
Income tax expenses reported in the profit or loss	241,489	213,914	241,489	213,914

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

(Unit: Thousand Baht)

	Statements of financial position	
	As at 31 December 2022	As at 31 December 2021
<b>Deferred tax assets</b>		
Lease	83	54
Provision for long-term employee benefits	12,555	10,724
Accumulated depreciation - plant and equipment	158	-
Loss on changes in value of financial asset measured at FVTPL	1,807	-
Total	14,603	10,778
<b>Deferred tax liabilities</b>		
Gain on changes in value of financial asset measured at FVOCI	19,574	29,882
Accumulated depreciation - plant and equipment	-	76
Total	19,574	29,958
<b>Deferred tax liabilities - net</b>	(4,971)	(19,180)



### 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the year (Thousand Baht)	1,706,973	1,687,674	1,703,409	1,686,146
Weighted average number of ordinary shares (Thousand shares)	450,000	450,000	450,000	450,000
Basic earnings per share (Baht)	3.79	3.75	3.79	3.75

### 24. Dividend payments

During the years ended 31 December 2022 and 2021, the Company had dividend payments as follows:

	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b>For the year 2022</b>				
Final dividends for 2021	Annual General Meeting of the shareholders on 28 April 2022	477,000	1.06	26 May 2022
Interim dividend on the profit for the six-month period ended 30 June 2022	The meeting of the Company's Board of directors No. 8/2021 on 22 August 2022	387,000	0.86	19 September 2022
Total dividend payments for 2022		<u>864,000</u>	<u>1.92</u>	
<b>For the year 2021</b>				
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>	





## 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>2022</u>	<u>2021</u>
Sales		
Promoted operations	2,721	2,861
Non-promoted operations	4,808	4,299
Total sales	<u>7,529</u>	<u>7,160</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 2022, the Company recognised the contributions of Baht 25.0 million (2021: Baht 27.2 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 2022 amounted to approximately Baht 6,844 million, or 90.9 % of total sales (2021: Baht 6,613 million, or 92.4% of total sales). The Company's sales were from a main local customer, representing about 51.7 % of total sales (2021: 47.5% 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 2022, the Company had capital commitments in respect of procurement agreements for production machinery and equipment of approximately AUD 0.03 million and USD 0.07 million, totaling approximately Baht 5.4 million (2021: AUD 0.03 million and USD 0.02 million, totaling approximately Baht 1.1 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 4 months and 3 years.

As at 31 December 2022, 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	5.0	7.7
1 to 3 years	0.6	3.9
Total	5.6	11.6







### 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 2022 amounted to approximately Baht 2.4 million (2021: Baht 1.4 million).

### 28.4 Long-term purchase commitments

The Company has commitments under natural gas purchase agreement for a period of 5 - 7 years. Under the agreement, the Company is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

No.	Period (Years)	Expired date	Average minimum quantity purchase (Million BTU)
1.	5	31 December 2023	269 per day
2.	7	30 November 2029	22,211 per annum
3.	7	30 November 2029	43,859 per annum

### 28.5 Guarantees

As at 31 December 2022, there were bank guarantees of approximately Baht 31.4 million (2021: Baht 30.2 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 25.9 million (2021: Baht 26.0 million) to guarantee electricity use, Baht 3.5 million (2021: Baht 3.0 million) to guarantee contractual performance under the natural gas purchase agreement, Baht 1.8 million (2021: Baht 1.2 million) to guarantee sales, and Baht 0.2 million for land rental (2021: Nil).





## 29. Fair value hierarchy

As at 31 December 2022 and 2021, 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			
	2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed equity instruments	390,950	-	-	390,950
Debt instruments	-	2,100,731	-	2,100,731
Non-listed equity instruments	-	-	502,427	502,427
Mutual funds and unit trusts	-	207,390	-	207,390
Financial assets measured at FVTPL				
Open-end fund	-	13,520	-	13,520
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at FVTPL				
Derivatives liabilities				
Foreign currency forward contracts	-	151	-	151

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed equity instruments	338,366	-	-	338,366
Debt instruments	-	2,114,276	-	2,114,276
Non-listed equity instruments	-	-	488,593	488,593
Mutual funds and unit trusts	-	30,850	-	30,850
Financial assets measured at FVTPL				
Open-end fund	-	94,673	-	94,673
Derivatives assets				
Foreign currency forward contracts	-	29	-	29





### 30. Financial instruments

#### 30.1 Derivatives

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
<b>Derivatives assets</b>		
Derivatives assets not designated as hedging instruments		
Foreign exchange forward contracts	-	29
<b>Total derivatives assets</b>	<u>-</u>	<u>29</u>
<b>Derivatives liabilities</b>		
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	151	-
<b>Total derivatives liabilities</b>	<u>151</u>	<u>-</u>

#### Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 - 2 months.

#### 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
Japanese yen	12,452	3,859	0.2645	0.2944
Yuan renminbi	1,249	732	5.0375	5.3185
US dollar	768	642	34.7335	33.5929

### 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 2022 and 2021. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	2022		2021	
	Change in foreign currency rate	Effect on profit before tax	Change in foreign currency rate	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+19.2	(5,124)	+13.5	(2,911)
	-19.2	5,124	-13.5	2,911

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 2022 and 2021, 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 2022					
	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	400	-	236	13	649	0.10 - 1.50
Trade and other receivables	-	-	-	1,003	1,003	-
Other current financial assets	4,663	-	56	-	4,719	0.15 - 5.35
Other non-current financial assets	-	1,073	-	1,114	2,187	0.75 - 5.05
	5,063	1,073	292	2,130	8,558	
Financial liabilities						
Trade and other payables	-	-	-	782	782	-
Liabilities under lease agreements	12	16	-	-	28	5.24 - 6.01
	12	16	-	782	810	
	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
Trade and other receivables	-	-	-	871	871	-
Other current financial assets	4,188	-	28	-	4,216	0.10 - 5.11
Other non-current financial assets	-	1,118	-	952	2,070	0.66 - 5.35
	4,388	1,118	199	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	





### 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 and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	782,498	-	782,498
Lease liabilities	13,646	16,377	30,023
<b>Total non-derivatives</b>	<u>796,144</u>	<u>16,377</u>	<u>812,521</u>
<b>Derivatives</b>			
Derivative liabilities: net settled	<u>151</u>	<u>-</u>	<u>151</u>

	(Unit: Thousand Baht)		
	As at 31 December 2021		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	638,543	-	638,543
Lease liabilities	6,099	3,638	9,737
<b>Total non-derivatives</b>	<u>644,642</u>	<u>3,638</u>	<u>648,280</u>

### 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
<b>Balance as of 1 January 2021</b>	356,662
Acquired during the year	165,000
Net loss recognised into other comprehensive income	(33,069)
<b>Balance as of 31 December 2021</b>	488,593
Acquired during the year	35,387
Net loss recognised into other comprehensive income	(21,553)
<b>Balance as of 31 December 2022</b>	502,427





Key assumptions used in the valuation are summarised below.

Financial instrument	Valuation technique	Significant unobservable output	Rates
Non-listed equity instrument	Discounted cash flow	Weighted average cost of capital	10.25% - 11.53%

(Unit: Million Baht)

	Sensitivity of the input to fair value			
	Increase	Decrease	Increase	Decrease
	0.05%	0.05%	0.10%	0.10%
Fair value	(0.9)	0.9	(1.7)	1.8

### 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 2022, the Company's debt-to-equity ratio was 0.12:1 (2021: 0.11:1).

### 32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2023.





# Attachment 1

## Details of Directors, Executives, Company Secretary and those who are directly responsible for accounting supervision as of 31 December 2022

### 1. Mr. Pipat Paniangvait Age 83 Years Honorary Chairman / Director

#### Shareholding<sup>1)</sup>

- Self 14,896,150 Shares (3.31%) / Spouse 63,250 Shares (0.01%)

#### Education

- Honorary Doctor of Arts Food Science and Technology Rajamangala University of Technology Tawan-ok
- Honorary Doctor of Arts Business Administration North University-Chiang Mai
- Honorary Doctorate Degree Department of Home Economics Development, Faculty of Education Ramkhamhaeng University
- Master's degree in Business Administration Thammasat University
- Bachelor's degree in Education Science Quanzhou Physical Culture institute People's Republic of China
- Stamford Executive Program at Stamford University California, USA.
- Received a scholarship to attend seminars in the course of Top Management Seminar on Japanese Business (TOPS-V) of The Association for Overseas Technical, Japan
- Graduated with National Defence Diploma, Class 2 National Defense College Institute
- Attended training at Harvard University, USA.

#### Work Experience in the Past 5 Years

##### Listed Company

- |                        |  |   |
|------------------------|--|---|
| • October 2022-Present | Honorary Chairman / Director   | President Bakery Public Company Limited           |
| • 2018-Present         | Chairman of the Nomination and Remuneration Committee                  | President Bakery Public Company Limited           |
| • October 2022-Present | Chairman of the Board of Directors and Chairman of the Executive Board | Thai President Foods Public Company Limited       |
| • 2018-October 2022    | Chief Executive Officer/<br>Vice-chairman of the Board                 | Thai President Foods Public Company Limited       |
| • 2018-Present         | Director   | Saha Pathana Inter-Holding Public Company Limited |
| • August 2018          | Chairman of the Board  | Thai O.P.P. Public Company Limited                |

##### Other Non-Listed Companies

- |                |                       |   |
|----------------|-----------------------|---|
| • 2018-Present | Director              | Thai-Myanmar Success Ventures Company Limited |
| • 2018-Present | Honorary Chairman     | Dai-ichi Packaging Company Limited            |
| • 2018-Present | Chairman of the Board | Sungu Machinery (Thailand) Company Limited    |
| • 2018-Present | Deputy Chairman       | Northern Technology Company Limited           |

#### Director/Management Position

##### Other Listed Company

- |  |   |
|--|---|
| • Chief Executive Office /<br>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 73 Years Chairman of the Board of Directors and Chairman of the Executive Board

### Shareholding<sup>1</sup>

- 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

- |                         |  |   |
|-------------------------|--|---|
| • November 2022-Present | Chairman of the Board of Directors and Chairman of the Executive Board | President Bakery Public Company Limited     |
| • 2019-October 2022     | Vice Chairman of the Board and Managing Director                       | President Bakery Public Company Limited     |
| • 2018-October 2022     | Managing Director  | President Bakery Public Company Limited     |
| • 2018-Present          | Director of the Nomination and Remuneration Committee                  | President Bakery Public Company Limited     |
| • 2018-Present          | Director   | Thai President Foods Public Company Limited |

#### Other Non-Listed Companies

- |                |                       |                                      |
|----------------|-----------------------|--------------------------------------|
| • 2018-Present | Chairman of the Board | President Flour Mill Company Limited |
| • 2018-Present | Director              | Kerry Flour Mill Company Limited     |

### Director/Management Position

#### Other Listed Company

- Director

Thai President Foods Public Company Limited

#### 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 40 Years Managing Director

#### Shareholding<sup>1</sup>

- 3,344,810 Shares (0.74%)

#### Education

- Master of Art in Business and Managerial Economics (Part time program)  
Faculty of Economics, Chulalongkorn University
- Master of Science in Computer System Engineering (Software Engineering)  
Boston University Thesis "Engineering a System-level Instruction-set Simulator"
- Bachelor of Engineering, Program In Computer Engineering (Second Class Honors)  
Faculty of Engineering, Kasetsart University Engineering Project Work  
"Bayesian based Website Classification system"

#### Work Experience in the Past 5 Years

##### Listed Company

- |                         |   |   |
|-------------------------|---|---|
| • November 2022-Present | Managing Director                                     | President Bakery Public Company Limited |
| • 2018-November 2022    | Vice Managing Director                                | President Bakery Public Company Limited |
| • April 2018-Present    | Corporate Governance and<br>Risk Management Committee | President Bakery Public Company Limited |
| • October 2018-Present  | Investment Committee                                  | President Bakery Public Company Limited |

##### Other Non-Listed Companies

- |                      |          |   |
|----------------------|----------|---|
| • March 2018-Present | Director | American Food Company Limited               |
| • 2018-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 45 Years Director

##### Shareholding<sup>1</sup>

- Self 100,000 Shares (0.02%) / Spouse -None-

##### Education

- Bachelor's Degree of Business Administration Chulalongkorn University
- Master of Advanced Business Practice University of South Australia
- Master of Marketing (English Program), Thammasat University
- Master of International Business (Exchange Program)
- Norwegian School of Economics and Business Administration, Norway
- Business and Industrial Development Program (Class 1), Institute of Business and Industrial Development
- OIC Advanced Insurance Institute (Class 1), Office of Insurance Commission
- Executive Leadership Program (Class 2) Wharton Business School, University of Pennsylvania, USA & NIDA, Thailand
- Real Estate Management Program for Executive (RE-CU26) Chulalongkorn University
- Investment Planner Certification, Chulalongkorn University
- Investment Planner Certification, Association of Investment Management Companies
- Bhumpalung Phandin for Top Executive (Class 4) Chulalongkorn University
- Strategic CFO in Capital Market Program (Class 4) Thailand Securities Institute, The Stock Exchange of Thailand

##### Work Experience in the Past 5 Years

##### Listed Company

• April 2018-Present	Director	President Bakery Public Company Limited
• October 2022-Present	Chairman of the Investment Committee	President Bakery Public Company Limited
• 2018-Present	President	Saha Pathana Inter-Holding Public Company Limited
• 2017-April 2018	Executive Vice President	Saha Pathana Inter-Holding Public Company Limited
• December 2021-Present	Director	Sahacogen (Chonburi) Public Company Limited
• January 2021-December 2021	The Chairman of Executive Committee	Sahacogen (Chonburi) Public Company Limited
• April 2018-December 2020	Director	Sahacogen (Chonburi) Public Company Limited
• 2018-Present	Director	Samsung Life Insurance (Thailand) Public Company Limited

##### Other Non-Listed Companies

• December 2018-Present	Director	Saha Komehyo Company Limited
• March 2018-Present	Managing Director	First United Industry Company Limited
• March 2018-Present	Managing Director	Sahapat Property Company Limited
• March 2018-Present	Director	American Food Company Limited
• April 2018-Present	Director	Sinparadon Company Limited
• 2018-Present	Managing Director	BSC So In Company Limited
• 2018-Present	Managing Director	Sahapat Real Estate Company Limited
• 2018-Present	Director	UCC Ueshima Coffee (Thailand) Company Limited
• 2018-Present	Director	Thai Secom Security Company Limited
• 2018-Present	Director	Arusu Myanmar Company Limited
• 2018-Present	Director	Seino Saha Logistics Company Limited
• 2018-Present	Director	Mobile Logistics Company Limited
• 2018-Present	Director	Tiger MK Logistics (Myanmar) Company Limited
• 2018-Present	Director	Carbon Magic (Thailand) Company Limited



#### 4. Mr. Vichai Kulsomphob Age 45 Years (Continued) Director

##### Work Experience in the Past 5 Years

##### Other Non-Listed Companies

• 2018-Present	Director	Canchana International Company Limited (Kingdom of Cambodia)
• 2018-Present	Managing Director/Chairman	Green Life Management Company Limited
• 2018-Present	Director	Saha Tokyu Corporation Company Limited
• 2018-Present	Director	Saha Sewa Company Limited
• 2018-Present	Director	Thai Samsung Electronics Company Limited
• 2018-Present	Director	SSI Holding Company Limited
• 2018-Present	Director	Park Capital Holding Company Limited
• 2018-Present	Director	Thai Sun Foods Company Limited
• 2018-Present	Director	I.D.F Company Limited
• 2018-Present	Managing Director	Boon Capital Holding Company Limited
• 2018-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
• April 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
• December 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 45 Years (Continued) Director

##### Work Experience in the Past 5 Years

##### Other Non-Listed Companies

• March 2022-Present	Managing Director	"Hydrogen Asset Company Limited (Formerly known as Hydrogen REIT Management Co., Ltd., name changed on April 11, 2022)"
• January 2022	Director	"Hydrogen Asset Company Limited (Formerly known as Hydrogen REIT Management Co., Ltd., name changed on April 11, 2022)"
• May 2022-Present	Managing Director	Quantum SDGM Company Limited
• January 2022	Director	Quantum SDGM Company Limited
• April 2022-Present	Vice-Chairman of the Board	"Hydrogen REIT Management Company Limited (Formerly known as Adelphi Real Estate Management Company Limited, name changed on 3 May 2022)"
• February 2022	Director	"Hydrogen REIT Management Company Limited (Formerly known as Adelphi Real Estate Management Company Limited, name changed on 3 May 2022)"
• March 2022-Present	Director	Oxygen One Company Limited
• June 2022-Present	Director	"Oxygen Asset Management Company Limited (Formerly known as Global Best Asset Management Company Limited, name changed on July 4, 2022)"
• July 2022-Present	Managing Director	King Square Development Company Limited
• July 2022-Present	Director	Saha Charoensin Estate Company Limited
• September 2022-Present	Director	Ramsorn Thawikan Company Limited
• November 2022-Present	Director	Nine One Eight Land Company Limited
• November 2022-Present	Director	PRVK Company Limited
• November 2022-Present	Director	Kingbridge Asset Company Limited

##### Director/Management Position

##### Other Listed Company

- Managing Director Saha Patthana Inter-Holding Public Company Limited
- Chairman of Executive Committee Sahacogen (Chonburi) Public Company Limited
- Director Thai Samsung Life Insurance (Thailand) Public Company Limited

##### Other Non Listed Company

- 71 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 54 Years Director and Senior Management Accounting Dept. and Finance Dept. Manager, Company Secretary, Chief Financial Officer

### Shareholding<sup>1</sup>

- Self 50,000 Shares (0.01%) / Spouse -None-

### Education

- Bachelor's Degree in Accounting Thammasat University

### Work Experience in the Past 5 Years

#### Listed Company

- |                        |   |   |
|------------------------|---|---|
| • 2018-Present         | Director and Senior Management Accounting Dept. and Finance Dept. Manager | President Bakery Public Company Limited |
| • 2018-Present         | Corporate Governance and Risk Management Committee                        | President Bakery Public Company Limited |
| • 2018-Present         | Company secretary   | President Bakery Public Company Limited |
| • October 2022-Present | Investment Committee  | President Bakery Public Company Limited |

#### Other Non-Listed Companies

- |                |          |   |
|----------------|----------|---|
| • 2018-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)

- The Lean Accounting Course
- The Digital Asset & Tax Law Transformative Accounting Course

### Relationships Regarding Family Between Executives

- None





## 6. Ms. Panida Prayottaweekij Age 56 Years Director and Assistant Managing Director

### Shareholding<sup>1</sup>

- 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

• 2022-Present	Director and Assistant Managing Director	President Bakery Public Company Limited
• 2018-2021	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 59 Years Director

### Shareholding<sup>1</sup>

- 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

- |                     |  |   |
|---------------------|--|---|
| • 2018-Present      | Director   | President Bakery Public Company Limited     |
| • June 2018-Present | Corporate Governance and Risk Management Committee | President Bakery Public Company Limited     |
| • 2018-Present      | Vice President                                     | Thai President Foods Public Company Limited |
| • October 2017      | Vice President                                     | Thai President Foods Public Company Limited |

#### Other Non-Listed Companies

- |                |                       |   |
|----------------|-----------------------|---|
| • 2018-Present | Director              | American Foods Company Limited            |
| • 2018-Present | Director              | Thai Anbao Paper Products Company Limited |
| • 2018-Present | Director              | Siam Sincere Company Limited              |
| • 2018-Present | Managing Director     | President Flour Mills Company Limited     |
| • 2018-Present | Director              | President Inter Foods Company Limited     |
| • 2018-Present | Director              | Kerry Flour Mills Company Limited         |
| • 2018-Present | Director              | Jim's Group Company Limited               |
| • 2022-Present | Chairman of the Board | Dai-ichi packaging Company Limited        |
| • 2018-2021    | Director              | Dai-ichi packaging Company Limited        |

### Director/Management Position

#### Other Listed Company

- Vice President Thai President Foods Public Company Limited

#### 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 47 Years Director

### Shareholding<sup>1</sup>

- Self 276,870 Shares (0.06%) / Spouse -None-

### Education

- Master of Law (LL.M) in Business Law (International Program), Chulalongkorn University

### Work Experience in the Past 5 Years

#### Listed Company

- |                        |   |   |
|------------------------|---|---|
| • 2018-Present         | Director  | President Bakery Public Company Limited     |
| • October 2022-Present | Investment Committee                                | President Bakery Public Company Limited     |
| • 2018-Present         | Investment Committee/<br>Presidents Office, Manager | Thai President Foods Public Company Limited |

#### Other Non-Listed Companies

- |                      |                       |   |
|----------------------|-----------------------|---|
| • 2019-present       | Director              | Cheam Body Company Limited                  |
| • 2018-Present       | Director              | President D Venture Company Limited         |
| • 2018-Present       | Director              | Thai Instant Products Company Limited       |
| • 2018-Present       | Director              | Thai Anbao Paper Products Company Limited   |
| • 2018-Present       | Director              | Dai-ichi packaging Company Limited          |
| • 2018-Present       | Director              | Sam Chai Sunshine Company Limited           |
| • 2018-Present       | Director              | President Inter Foods Company Limited       |
| • Present            | Director              | AEP Square Sport Management Company Limited |
| • Present            | Director              | Sam Heng Company Limited                    |
| • April 2022-Present | Chairman of the Board | Suparich Company Limited                    |

### Director/Management Position

#### Other Listed Company

- Investment Committee/  
Presidents Office, Manager
- Thai President Foods Public Company Limited

#### Other Non Listed Company

- 10 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 63 Years Director and Assistant Managing Director

### Shareholding<sup>1</sup>

- 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 |
| • October 2022-Present | Investment Committee                               | President Bakery Public Company Limited |
| • 2018-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 63 Years Director and Assistant Managing Director

### Shareholding<sup>1</sup>

- 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
• October 2022-Present	Investment Committee	President Bakery Public Company Limited
• 2018-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 74 Years Chairman of Independent Director and Chairman of Audit Committee

### Shareholding<sup>1</sup>

- 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 |
|----------------------|---|---|

#### Other Non-Listed Companies

- |                          |  |   |
|--------------------------|--|---|
| • 2018-Present           | President of the University Council                    | King Mongkut's University of Technology North Bangkok |
| • 2018-Present           | Qualified Director of Academic Ranking Committee       | Rajamangala University of Technology Thanyaburi       |
| • 2018-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)  
The Role of Chairman (RCP) 2009

### Relationships Regarding Family Between Executives

- None





## 12. Mr. Wattanachai Chotechutrakul Age 73 Years Independent Director and Audit Committee

### Shareholding<sup>1</sup>

- 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 |
|-----------|---------|------------------------------|

### 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. Dr. Piyamitr Sritara Age 64 Years Independent Director

#### Shareholding<sup>1</sup>

- None

#### Education

- B.Sc. (Medical Science), Mahidol University
- M.D., Faculty of Medicine, Ramathibodi Hospital Mahidol University
- Thai Board of Internal Medicine, FRCP (Thailand)
- Diploma in Cardiology, Royal Postgraduate Medical School, Hammersmith Hospital, University of London
- Certificate and Diploma in Interactive Video & Computer Technology, Birkbeck College, University of London
- Thai Board of Cardiovascular Medicine, FRCP (Thailand)
- The Programme for Senior Executive on Justice Administration No.12
- Fellow of American College of Physician
- Fellow of Royal College of Physician (LONDON)
- The Programme Rule of Law for Democracy No. 6, College of the Constitution Court

#### Work Experience in the Past 5 Years

##### Listed Company

- |                     |  |   |
|---------------------|--|---|
| • June 2020-Present | Independent Directors                                | President Bakery Public Company Limited |
| • 2018-Present      | Independent Directors and Risk Management Committee  | 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                  |
| • 2019-2021 | The Chairman of Executive Committee | National Center for Genetic Engineering and Biotechnology (BIOTEC) |

#### 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 74 Years Independent Director and Audit Committee

### Shareholding<sup>1</sup>

- Self 135,000 Shares (0.03%) / Spouse -None-

### Education

- Bachelor of Laws, Thammasat University
- Thai Barrister, Institute of Legal Education Thai Bar Association
- Master Of Laws, Chulalongkorn University
- National Defence College of Thailand (#41)
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (#11)
- Capital Market Academy (CMA.), Thailand (#7)

### Work Experience in the Past 5 Years

#### 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

- |                |  |  |
|----------------|--|--|
| • 2018-Present | Expert Committee                         | King Prajadhipok Institute   |
| • 2020-Present | Vice President of the University Council | Nakhon Pathom Rajabhat University  |
| • 2018-Present | Director                                 | Police General Foundation Phao Sarasin                                     |
| • 2020-Present | Honorary Director                        | Thailand Federation of Accounting Professions                              |
| • 2021-Present | Honorary Director                        | Public Prosecutor Commission   |
| • 2018-Present | Honorary Director                        | Tax Audit Committee  |
| • 2018-Present | Honorary Director                        | Plan Maker Review Committee and Business Rehabilitation Plan Administrator |
| • 2018-Present | Honorary Director                        | Department of Energy Business  |

### 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 73 Years Independent Director and Audit Committee

### Shareholding<sup>1</sup>

- None

### Education

- Master of Arts in Public Administration, Thammasat University
- Bachelor of Business Administration, Thammasat University

### Work Experience in the Past 5 Years

#### Listed Company

• April 2018-Present	Independent Director and Audit Committee	President Bakery Public Company Limited
• April 2018	Independent Director	President Bakery Public Company Limited
• 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

**Remark :** All directors are authorized to sign on behalf of the Company where two directors must co-sign and affix the Company's seal. Excluding independent directors.

<sup>1</sup> Including spouse and minor children





## Mrs. Malee Tangjaisanong Age 62 Years Advisor

### Shareholding<sup>1</sup>

- 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 | Advisor                       | President Bakery Public Company Limited. |
| • 2018-June 2020    | Executive Production Director | President Bakery Public Company Limited  |

#### Other Non-Listed Companies

- |                |          |   |
|----------------|----------|---|
| • 2018-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 Accreditation Program 2003

### Relationships Regarding Family Between Executives

- None





## Details about The Company's Accounting Supervisor

**Miss Jirawan Komolcharoensiri Age 48 Years**  
**Management Accounting Department Manager**

### Shareholding<sup>1</sup>

- None

### Education

- Master's degree, Master of Economics Ramkhamhaeng University
- Bachelor's degree in Business Administration, Accounting Rajamangala University of Technology Thanyaburi

### Training Course

- The Lean Accounting Course
- The Digital Asset & Tax Law Transformative Accounting Course

### Work Experience in the Past 5 Years

#### Listed Company

- |                |   |   |
|----------------|---|---|
| • 2018-Present | Management Accounting<br>Department Manager | President Bakery Public Company Limited |
|----------------|---|---|

### Director/Management Position

#### Other Listed Company

- None

#### Other Non Listed Company

- None

### Relationships Regarding 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<br>Internal Audit<br>Audit Committee Secretary<br>Independent Committee Secretary | President Bakery Public Company Limited                                 |
| • July 2017-September 2018 | Assistant External Auditor  | Baker Tilly Corporate Company<br>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](http://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](http://www.farmhouse.co.th) or e-mail address [petcharat.ana@pbplc.co.th](mailto: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](http://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](http://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/invester](http://www.farmhouse.co.th/invester)

### 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](http://www.farmhouse.co.th) or on Facebook at [www.facebook.com/FarmhouseThai](https://www.facebook.com/FarmhouseThai). This ensures that staffs are available and will go above and beyond to ensure a timely response to requests and to foster customer and consumer confidence.





### 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. 2022

### Dear Shareholders of President Bakery Public Company Limited

The Board of Directors passed a resolution on April 28, 2022 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. Teeravuit Boonyasopon  
Independent Director  
Position: Chairman
2. Mr. Wattanachai Chotechutrakul  
Independent Director  
Position: Director
3. Mr. Thanapich Mulapruk  
Independent Director  
Position: Director
4. Mrs. Aim-On Pathumarak  
Independent Director  
Position: Director

All Audit Committee members meet the qualifications outlined in the Audit Committee Charter and have independently carried out their duties within the scope of responsibilities delegated by the Board of Directors and the Stock Exchange of Thailand's regulations. It has a policy of focusing on the Company's adherence to the principles of good corporate governance. There is excellent risk management, as well as a review of the internal control system and an internal audit that includes employee work as well as the Company's leaders' ethics and codes of conduct. The Company's Certified Public Accountant also conducts an external audit. According to international norms, EY Company Limited delivers financial information. It is effective, efficient, transparent, dependable, and responsible. which benefits shareholders, investors, stakeholders, employees, and people involved in all departments 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 2022 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. 43 on Wednesday, April 28, 2022 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





## Report of Authority and Responsibilities of the Governance and Risk Management Committee in 2022

### Dear Shareholders of President Bakery Public Company Limited

The Board of Directors passed a resolution on April 28, 2022 to appoint a Corporate Governance and Risk Management Committee, which consist of 8 directors who are qualified, knowledgeable, proficient and experienced in corporate governance and risk management as the following names.

1. Mr. Thanapitch Moonpruek  
Independent Director  
Position: Chairman
2. Mr. Apisate Thammanomai  
Managing Director  
Position: Director
3. Ms. Saipin Kittipornpimol  
Director and Assistant Director  
Position: Director
4. Ms. Ubolluck Luevoravinyu  
Director and Assistant Director  
Position: Director
5. Ms. Panida Prayottaweekij  
Director and Assistant Director  
Position: Director
6. Ms. Petcharat Anantawichai  
Director and Senior Management Accounting Department and Finance Department Manager  
Position: Director
7. Dr. Pojjanee Paniangvait  
Director  
Position: Director
8. Mrs. Emon Pathumarak  
Independent Director  
Position: Director

All Corporate Governance and Risk Management Committee are fully qualified as specified in the Corporate Governance and Risk Management Committee Charter and has performed duties completely within the scope of responsibilities assigned by the Board of Directors and in accordance with the law and regulations of relevant government agencies which brings the greatest benefits to shareholders, investors, stakeholders, employees, as well as communities, society and the environment.

In this regard, the Corporate Governance and Risk Management 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 2022, the Corporate Governance and Risk Management Committee has 4 meetings in which all directors attended the meeting to perform duties as specified in the Corporate Governance and Risk Management Committee Charter. The details of operations in matters in the organization are as follows:

1. Review and revise the Corporate Governance and Risk Management Committee Charter, good corporate governance principles, Risk Management Policy and Manual to be appropriate and consistent with the objectives, strategies, and goals of the organization in the current corporate governance and risk management.







2. Push and encourage employees at all levels to have knowledge and understanding of risk management to become a culture of the organization. Knowledge and understanding are constantly assessed.

3. Continuously supervise the organization to follow the risk management process effectively and systematically according to the COSO-ERM 2017 risk management framework and monitoring the risks during the year to be within the acceptable level (Risk Appetite).

4. Consider and suggest risk management measures to be able to appropriately and efficiently control risks according changing circumstances.

5. Supervise risk management in the COVID-19 situation of the organization to ensure that it operates properly.

5.1 Control: Provide suggestions for setting up screening Company's enter-exit measures and alcohol spraying measures in common areas to be appropriate and efficient

5.2 Prevention: Support the vaccination process for all employees and give suggestions for determining measures for proactive ATK checks that are suitable for each type of work.

5.3 Supervision and Monitor: Support the project "Farmhouse...Survival Bag" for Home Isolation and determine employees' close monitor to take care until be able to return to work as usual.

From performing such duties, Corporate Governance and Risk Management Committee has prioritized corporate governance and risk management to operate continuously and systematically according to the current changing situation and could punctually control the risks, preventing impacts on the business operations of the organization, including being able to give confidence to all stakeholders.

On behalf of the Corporate Governance and  
Risk Management Committee

**(Mr. Thanapitch Moonpruek)**

Director of Corporate Governance and  
Risk Management Committee



บริษัท เพอร์ซิเดนท์ เบเกอรี่ จำกัด (มหาชน)  
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