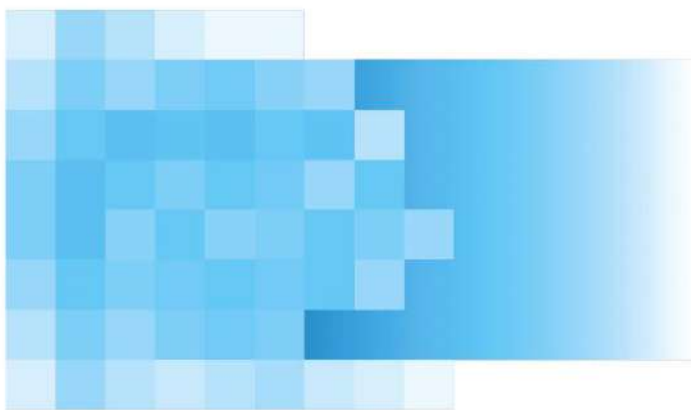


ANNUAL REPORT 2023

Form 56-1 One Report *



* The Annual Registration Statrment



บริษัท วโรปกรณ์ จำกัด (มหาชน)
VAROPAKORN PUBLIC COMPANY LIMITED

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The Board of Directors' Report

In the past year, although the spread of COVID-19 infection has gradually subsided, but the overall picture of the world economy is recovering from COVID-19. There was chaos, volatility, and a slowdown from the previous year. from the problem of the protracted war between Russia and Ukraine. This includes the war between Israel and the State of Palestine (Hamas) and other geopolitical conflicts that have global repercussions. including the Thai economy Financial conditions tightened as a result of the policy interest rate increase to control inflation. This causes the prices of energy, raw materials, equipment, labor costs, and financial costs to fluctuate and increase. Affects the financial system, and exchange rates, and has a broad impact on economic activities in all sectors including a direct impact on the company's rising production costs as well.

In 2023, the company's sales income decreased to 2,509.76 million baht, a decrease of 33.16% from the previous year. The main reason is from international markets, such as India experiencing heavy rain and flooding, resulting in lower demand for products, and the American market, which used to be a star in previous years, but in 2023 shipping costs from Thailand to the United States will increase. Make customers switch to buying products within the country or buy from other regions to get cheaper prices. The same is true for the European market, where shipping costs increased due to the war in the Red Sea. The cost of goods sold increased slightly to 98.60% from 97.43%, mainly due to higher energy costs and low sales. Including financial costs, which increased to 53.17 million baht from 38.33 million baht due to higher interest rates. Selling and administrative expenses decreased to 94.99 million baht from 96.15 million baht. The baht depreciated since the beginning of the year to 35.22 baht per US dollar. As a result, there was a profit from exchange rates of 7.14 million baht, and a loss from fair value adjustments of derivatives of 11.14 million baht, after adjusting for taxes in 2023 the company had a net loss of 106.92 million baht.

At the end of 2023, total assets decreased by 237.26 million baht to 2,099.06 million baht from 2,336.32 million baht in 2022, mainly due to decreased business volume. It can be seen that current assets decreased from 1,438.26 million baht to 1,263.11 million baht, especially inventories decreased from 819.70 million baht to 717.09 million baht according to sales at the end of 2023. Trade receivables decreased slightly to 466.20 million baht. Other current assets increased from 66.85 million baht to 78.53 million baht, mostly from VAT refunds. Fixed assets decreased to 834.31 from 895.93 million baht due to no major investment. Total liabilities decreased to 1,327.52 from 1,457.86 million baht, mainly due to current liabilities decreasing from 1,299.14 million baht to 1,199.67 million baht, especially trust receipts decreased from 733.75 million baht to 701.75 million baht, outstanding long-term loans decreased to 87.39 million baht from 120.93 million baht. Shareholders' equity decreased to 771.53 from 878.46 million baht due to losses. for financial status Liquidity remains tight It has a liquidity ratio of 1.05, a debt-to-equity ratio of 1.72, and the book value of shares at the end of 2023 is 7.7 baht per share.

For 2024, product demand for the domestic market is likely to shrink. This can be seen from the decrease in orders during the fourth quarter and quarter 1 order forecasts still haven't recovered including still having to compete with products imported from China, which still needs to be competitive in terms of price. For the Indian market, demand is likely to be stable based on orders in the fourth quarter, which is the start of the season when orders start later than usual. As for the European market, there is still uncertainty as the situation in the Red Sea has not yet been resolved, which has resulted in shipping times being longer than usual and shipping costs increasing significantly, but the American market is a good direction because it is a market that places importance on quality more than price. The company continues to focus on expanding the market both abroad and within the country continuously. It focuses on products with high added value because they are products that the company

can make a high profit from. However, energy costs, which are the main costs in production, are not likely to decrease. The company must therefore turn to using more renewable energy, increase energy management efficiency, control costs to be efficient, and invent new production innovations, and product innovations to create added value for products, which will avoid price competition.

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

Part 1

Business Operations and Performance

1. Structure and Operations of the Group

1.1 Policy and business overview

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

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

1.1.1 Vision, Objectives, Goals or Strategies

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

Vision

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

Mission

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

Core Value

TO BE GREAT

Improvement Continuity

Outcome Oriented

Morality and Ethical

Flexibility

Awareness to Worthiness

Corporate / Company Strategic Objectives

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

Corporate GOAL

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

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

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

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

1.1.2 Major changes and developments

During 2023, the company will continue to aggressively market in more trade zones including marketing aluminum products used to produce beverage lids abroad but with the economic situation, the Russian-Ukrainian war, the war in the Red Sea region including natural disasters causing the number of product purchases to slow down, as a result, the sales volume of the product did not meet the set target

In 2024, the company expects to export aluminum finstock products used in refrigeration to foreign countries in a similar proportion to 2023, but the proportion will increase customers to countries in the zone Europe and America more, focusing on products in the category Automotive Aluminum heat exchanger, air conditioner, and foil market segment which the company does not have as much marketing abroad as it should in 2023 due to the antidumping measure on foil products exporting from Thailand so the company unable to compete on price. In 2024, the company plans to review its strategy for marketing such products in India. including in countries in the American zone and Europe to increase.

In 2024, the company has adjusted its management plan to a more proactive policy. The marketing goal that we have set is to expand into the European and American markets using more precoated aluminium finstock which is a high-value product and foil products to flagship for entering the market in this group. It is expected that the export rate will be no less than 65% and develop Capstock to the international market more than last year to distribute products abroad to a variety of groups including adjusting strategies to regain market share in the country that was lost to foreign competitors who brought low-priced products into the market several years ago to increase sales opportunities and support additional orders to keep up with customer demand. The Company needs to innovate production to produce products with maximum efficiency including product development by adding value to products to meet the needs of the target market as well as focus on developing skills Including the capabilities of employees in the production section and adjusting marketing strategies by finding strong business partners to distribute products in target markets including cooperation with all sectors of industry, both government and private agencies to develop and improve the quality of product production to meet international standards and able to compete in the market.

As for the market expansion plan in 2024, in addition to improving and increasing production efficiency and developing new products. including to respond to target customers. The company also plans to collaborate with business partners with expertise in target markets to help reduce the time and process, which will significantly increase sales.

However, in 2023, aluminum prices and costs are significantly higher, especially energy prices which are the main cost of producing goods Including the volatility of precious metals such as aluminum and rate and change, which the company is not calm and also has a strategy to continuously reduce costs, such as saving energy by Circulating the use of scrap aluminum instead of aluminum ingot (Circular Economy), including joint venture projects with other suppliers, such as jointly with BIG and Iwatani to install a nitrogen generator (PSA) to replace liquid nitrogen gas that must be transported to fill up all the time for use in the baking process which costs much lower than it is today Including joining with Gulf 1 Co., Ltd. to install solar cell systems (Solar Rooftop) to increase production potential, reduce energy consumption, reduce costs and reduce greenhouse gas emissions which the project has progressed and been completed in sequence as well as participating in research Development and Engineering (RD&E CO-RESEARCH CONTRACT) Project "Preparation of the environmental database of the aluminum industry group to support Carbon Border Adjustment Mechanism (CBAM)" with the National Science and Technology Development Agency by the National Metal and Materials Technology Center and Aluminum Industry Group, the Federation of Thai Industries. At the end of 2023, the aluminum group was the first group to be able to release data in time for the transition period of this measure. The results of the assessment will help the aluminum industry meet the national average. To be used further in trade negotiations and to further develop competitiveness.

Revenue	2023		2021		2020	
	Revenue	Percentage	Revenue	Percentage	Revenue	Percentage
Thailand	1,125	44.82%	1,452	38.67%	1,367	53.07%
Asia	1,143	45.54%	1,097	29.21%	606	606
Oceania	46	1.83%	89	2.37%	60	60
America	118	4.70%	1,045	27.83%	529	529
Europe	78	3.11%	72	1.92%	14	14
Total	2,510	100.00%	3,755	100.00%	2,576	100.00%
Thailand	1,125	44.82%	1,452	38.67%	1,367	1,367
Export	1,385	55.18%	2,303	61.33%	1,209	1,209
Total	2,510	100.00%	3,755	100.00%	2,576	100.00%

1.1.3 - none -

1.1.4 - none -

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

Name	Varopakorn Public Company Limited
Company registration number	0107537000238 (Formerly No. Bor Jor. 270)
Office	181 Soi Amorn, Nanglinchee Rd., Chong Nonsi, Yannawa, Bangkok 10120 Telephone 02-2132514 Fax 02-287 2031 Home page: http://www.varopakorn.com E-mail : admin@varo.thai.com
Factory	280 (Formerly 274) Moo 4, Sukhumvit Road, Km. 41.5, Bang Pu Mai, Mueang Samut Prakan, Samut Prakan Province 10280 Telephone 02-323-1684 Fax 02-323-9635

Business Type	The Company's main business is the aluminum industry by manufacturing and distributing various types of semi-finished aluminum products in sheets and coils for sale to other manufacturers which will be used to produce products or as a component in the production of other types of products further, which has been certified ISO 9001: 2015, ISO 14001: 2015, , JIS H 4000 and IS 15392: 2003. Currently, the company is considered a manufacturer of aluminum products that have been widely accepted by customers. Most of the customers are operators at the end production line, different types of factories, which have both domestic customers and foreign companies located in Thailand which is a manufacturer for export (Export zone), and foreign customers directly. The company has main distribution channels by the company's sales staff and through distributors. The company does not have a parent company, subsidiary company, and associated company according to the SEC announcement or holds shares in a juristic person of 10 percent or more.
Established	February 21, 1979
Listed on the Stock Exchange of Thailand	29 July 1991
Registered capital	500 million baht, 5 baht per share
Number of paid-up ordinary shares	99,902,123 shares
Paid-up capital	499,510,615 baht

1.2 Nature of business

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

1.2.1 Revenue structure

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

Products	Y2023		Y2022		Y2021	
	Revenue		Revenue		Revenue	
	Million baht	%	Million baht	%	Million baht	%
Sheet Product	184.13	7.34%	137.87	3.67	150.45	5.84
Rolled Product	2,307.72	91.95%	3,593.38	95.70	2,425.37	94.16
Other Product	17.91	0.71	23.50	0.63	-	-
Total Sales	2,509.76	100%	3,754.75	100.00	2,575.82	100.00
Other Income	14.59		8.08		11.73	
Total Revenues	2,524.35		3,762.83		2,587.55	

1.2.2 Product Information

(1) Product characteristics and business innovation development

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

(1.1) SHEET PRODUCT consists of

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

(1.2) ROLLED PRODUCT consists of

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



Automotive Finstock

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



Precoated Finstock

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



Bare Finstock

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



Capstocks

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



Foils

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



Aluminium Sheet & Coil

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

Investment promotion certificate from the Board of Investment (BOI)

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

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

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

Product development to increase market opportunities

In 2022, the company developing new products continuously the proportion exporting products to Asia and Europe increased, and in other regions decreased,, both sold through export zones, through domestic distributors, and foreign to export the company's products overall decreased. Accounting for the overall sales volume, accounting for approximately 550% from 61% of total product sales.

For the year 2024, the company will maintain the proportion of products similar to the year 2023, focusing on products that the company has expertise in and can sale better prices and develop products in the Capstock beverage cap product group to prepare for further expansion into the international market including will focus on increasing performance to meet the needs of the higher market faster and more.

In the production of aluminum rolled products, more product types have been developed to meet the needs of the market. Most of the customers have to take the rolled aluminum products to be processed into other finished products or modified to use as components in the production of other industrial products or various types of consumer products.

(2) Marketing and Competition

(a) Policies and marketing characteristics of important products or services

1) Marketing Strategy

Due to most of the company's products being classified as semi-finished industrial products, which the customer must bring to the production process or process into finished products, the customer base is, therefore, a factory for manufacturing products in various industrial sectors. Both in the domestic market and the domestic market in order to reduce the risks from external factors that can occur in a variety of industries. However, in terms of producing aluminum products, the company also focuses on producing products in products that the company has expertise such as aluminum sheet products, both coated and bare for use in heat exchangers both in the air conditioning and automotive industries, beverage caps, aluminum foil products for food wrapping, and aluminum products sold in rolls to be used for forming in various products. In addition, the company has developed new products for the food industry, which the company expects to market in this segment in 2023.

For the customer group, the company has adjusted its strategy to offer different types of products to be more in line with the needs of customers by the customer group, the company has divided its customers into two main groups:

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

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

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

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

2) Characteristics / Target Customers

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

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

3) Distribution and distribution channels

The company sells products to customers as follows:

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

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

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

(a) Competition conditions Sales and Marketing Situation

In 2023, the competitive environment in the country still has to compete with products from China, which have very low prices, causing the company to lose a large number of domestic customers.

As for the international market, especially India, which still has to compete from China, the company's products can still be marketed due to the quality of the products and the prices are still competitive, but the company still must have a plan to reduce costs in order to compete. Because prices are likely to become more severe in the coming years, including last year's flood, the order quantity decreased due to decreased demand for products within the country. As for the American market, the company has lost some of the markets in recent years as a result of higher shipping prices, allowing customers to find products from other countries or regions where prices are not as high as the competition. The European market has been affected by the war in the Red Sea, causing shipping times to take longer and shipping costs to more than double, which forces companies to plan production, bidding, and shipping. Delivered more concisely

The company has tried to maintain quality and delivery standards at the level of ISO 9001: 2015 standards, which is a result of good cooperation and coordination between various departments in the company. It can be measured by evaluating customer satisfaction and responding to the questionnaire saying that their satisfaction was higher than the standard target. In addition, in 2023 and 2024, the company must prepare data to support the CBAM (Carbon Border Adjustment Mechanism) measure, which is a measure to adjust carbon before crossing the EU border. This is a requirement for importers of goods into the European Union. Aluminum products are one of the six products that need to be processed, including BIS standards for aluminum finstock products to be imported into India.

Sales impact and marketing from external factors

1. The volatility of the exchange rate and the currency of baht and USD.
2. The volatility of aluminum prices is increasing and decreasing rapidly.
3. Problems of the Russian-Ukrainian War
4. War problems in the Red Sea region
5. Problems in energy prices and other rising costs.
6. 6. Problems with trade protection measures and more stringent measures for importing goods.
6. Container shortage that affects from the end of Q4-2020 until now.
7. Problems from natural disasters cause demand to decrease.
8. Economic Conditions Across the Region.
9. Inflation problem and interest rate adjustments.

Throughout the year 2023, the company has been affected by various situations. Due to external factors that cannot be controlled, the company is unable to achieve its goals.

In 2023, the company's sales structure has a proportion of domestic and international sales at a ratio of 45 to 55 each. Necessary raw materials such as aluminum bars Must be imported from abroad Exchange rate fluctuations fluctuate from Therefore, it directly affects the selling price and costs. both from the war Declining demand or economic recession The company continues to use a risk mitigation policy by reducing aluminum stocks to a sufficient level.

Russian – Ukraine war is one factor that remains to be watched. Because Russia is an exporter of many raw materials. Including aluminum, which aside from the aluminum price, this war has also had a broad impact on all industrial groups.

War in the Red Sea region, there is no sign of relaxation or termination, which has resulted in higher costs for shipping to enter the European Union. It is not yet possible to predict how much it will end. Including increased transportation time This causes the company to plan production and transportation more tightly in order to deliver products on schedule.

Another problem in 2023 was the natural disaster that hit the company's main market, which, although not severe, caused an immediate drop in domestic demand from customers, which led to order cancellations, requests for a reduction in orders, or even postpone receiving the product, affected a certain extent to the company.

Difficulty/ease of having new competitors

The business that the company operates is the aluminum sheet and coil manufacturing industry which requires high technology, specific machinery, and requires a high investment. In addition, investments in technology must be improved periodically to accommodate new markets to be able to support and develop with customers to expand market opportunities at all times. The establishment of a new factory as a domestic competitor may occur, for example, with large multinational corporations investing and having a background in technology. In addition, an agent/intermediary company has arisen to import the same type of product that the company is producing by taking advantage of the reduction of import duty on aluminum sheet products to 0% to share the market because saw the opportunity for expansion of the aluminum industry and received support from the government of that country.

Most of the current local competitors are from overseas in Asia, which has a lower cost and cheaper with support from the government in that country, accompanying the impact of the reduction of import tax (FTA) to 0%, the price policy was adopted to win market share in Thailand but the company has adapted and marketing strategies including cost reductions throughout the present. There is also a greater acceptance of quality and service, therefore, gaining some market share back as well as gaining new markets in more foreign countries. However, even in foreign countries, there are players who can sometimes lower prices than the company, which may be due to cost advantages, which may change the purchasing decision of customers.

For products that replace aluminum, there are very few but it may be possible to develop a product that costs less with equal performance. This kind of development is also something that the company must also be monitored regularly.

Bargaining power of buyers and sellers

In the past year, domestic customers had high bargaining power because some manufacturers in Asia had low production costs including benefiting from tax measures, allowing them to sell at low prices, domestic buyers have more choices. In the international market, buyers still have bargaining power over sellers because domestic manufacturers sell them at prices that are not high including importers, they have adjusted their sales plans to avoid tax barriers that give buyers in international markets more choices.

(3) Procurement of products and services

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

1. Production

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



2. Procurement of raw materials used in production

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

(4) Assets used in business operations

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

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

Unit : Million baht

Property Type/Characteristics	Proprietary nature	Net book value As of Dec 31, 2023	Obligation (mortgage limit)
Land	company owned	*236.30	1,305.00
Building	company owned	30.91	
Machine-Equipment	company owned	**529.31	726.08

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

from 40.31 million baht at cost price

** Excluding construction in progress, another 34.76 million baht.

4.2 Important intangible assets in business operations

Unit : Million baht

Royalties	Computer software	Total
-	0.87	0.87

(5) Work that has not yet been delivered

- None -

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Group



ณ วันที่ 13 มีนาคม 2567 (record date)

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

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

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

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

1.3.3 Relationship with the business group of major shareholders

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

1.3.4 Shareholders

(1) List of major shareholders

List of major shareholders as of March 13, 2023 (Record Date)

No	Name – Surname	Number of shares	%
1	Thai Metal Works Company Limited ¹	48,539,259	48.59
2	MA Aluminum Corporation. ²	13,381,476	13.39
3	Mrs. Sorranee Deephanphongs's Group ³	7,354,769	7.36
4	Mr. Sahasee Chitanondh's group ⁵	4,002,175	4.01
5	Mr. Chirawut Chaiyawat's group ⁴	3,687,993	3.69
6	Flg.Off. Kamolnai Chaixanien's group ⁶	2,509,541	2.51
7	Mr. Wichian Srimuninnimit	1,924,000	1.93
8	Mrs. Panida Kubota	1,603,217	1.61
9	Mr. Supachai Veerawornphong	1,120,100	1.12
10	Mr. Sanchai Chaixanien's group ⁷	891,011	0.89
11	Mrs. Pornthip Rujinarong	792,195	0.79
12	Mr. Meerat Rujinarong	702,500	0.70
13	Miss Niyom Komin	613,476	0.61
14	Others	12,780,411	12.79
	รวม	99,902,123	100.00

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

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

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

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

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

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

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

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

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

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

1.4 Amount of registered capital and paid-up capital

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

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

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

1.5 The Company does not issue any other securities.

1.6 Dividend Policy

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

Dividend payment history compared to net profit relive the past

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

2. Risk Management

2.1 Policy and risk management plan

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

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

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

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

2.2 Risk Factors for the Company's Business Operations

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

Credit risk

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

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and sales to some overseas customers are required to pay a partial advance payment. Additionally, the Company assesses the credit ratings of all new overseas customers through financial institution.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

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

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

Market risk

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

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year. It received financial support from many financial institutions in entering into foreign currency forward contracts for exchange rate risk services. In 2023, the company had a profit from exchange rates of 7.14 million baht.

As of 31 December 2023 and 2022, The balances of financial assets and liabilities denominated in foreign currencies are summarised among 8 and 15 million US dollar respectively. To manage the foreign currency risk exposure, the Company entered into foreign exchange forward contracts as summarised as of 31 December 2023 among 7 million US dollar.

Interest rate risk

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

Commodity price risk

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

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

However, the hedging contract does not guarantee that the Company will be able to manage to purchase raw materials at a price below the market which could not be accurately predicted at the time of contracting And the company does not have an objective to focus on making profits from fluctuations in aluminum prices. As of December 31, 2023, the company has a commodity swap agreement balance of 600 tons due in January-February In 2023, the company lost on derivatives revaluation in the amount of 11.14 million baht.

Liquidity risk

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

The risk of relying on a large or few distributors

In 2023, the company had sales through distributors, namely, MALC Thai Company Limited, amounting to 833.30 million baht (32.88% of sales revenue) decreased from 1,065.93 million baht (29.32% of sales revenue), of the previous year. The Company has a distribution agreement with MALC Thai Co., Ltd. as distributors for a period of 1 year (year to year) effective from 27 January 2022 onwards. Where MALC Thai Co., Ltd. is held by MA Aluminum Corporation, a major shareholder of the Company with a good relationship between these shareholders together with the company's products It has been developed to be accepted by the customers of this distributor. Therefore, it is unlikely that this distributor will cancel or not renew the contract with the company.

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

As of March 13, 2024 (RD) Thai Metal Works Co., Ltd., a holding company 100% owned by a person in the Chaixanien family which holds 48,539,259 shares in the Company, representing 48.586 % of the total issued shares of the Company. As a result, the Chaixanien family was able to control almost all the resolutions of the shareholders' meeting whether it is a matter of appointment of directors, requesting resolutions on other matters that require a majority vote of the shareholders' meeting, except for matters that according to the Company's Articles of Association and the law require that three-fourths of the votes of the shareholders' meeting are required, other shareholders may collect votes to check and balance the matters proposed by the major shareholders are quite difficult. However, in the past the company conduct business with transparency, fairness and listen to opinions, suggestions of a minority already. Therefore, there has never been any such problem with the Company.

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

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

Risks from greenhouse gas conditions and standards

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

2.2.2 Investment risk of securities holders -None-

2.2.3 Risk of investing in foreign securities -None-

3. Driving business for sustainability

3.1 Sustainability management policies and goals

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

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

Conducting business with fairness

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

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

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

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

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

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

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

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

Anti-Corruption

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

Respect for human rights

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

Fair treatment of labor

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

Consumer responsibility

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

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

Responsible involvement in politics

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

3.2 Managing impact on stakeholders in the business value chain

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

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

3.2.1 Business value chain



PRODUCTION PROCESS



3.2.2 Stakeholder analysis in the business value chain

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

- Stakeholder groups bonding and response**

Stakeholder Group	Communication Activities	Expectations and Key Points	Response
Employee	<ul style="list-style-type: none"> Channels for receiving comments and complaints -public relations board -E-mail -Morning talk staff -Monthly meeting -Orientation training -Annual performance appraisal 	<ul style="list-style-type: none"> -Compensation, appropriate welfare -Income stability -Progress in work -It is safe to work -Good working environment, with facilities that are conducive to work, with safety -There is a plan for training to develop knowledge and abilities 	<ul style="list-style-type: none"> -The wage is higher than the minimum wage -Welfare in accordance with the law -Have care about safety at work Support for personal safety equipment -Organized training to increase knowledge skills for employees -There is an appropriate environmental management system in accordance with the law -Listen to opinions, suggestions for consideration and improvement
Suppliers who deliver goods/raw materials	<ul style="list-style-type: none"> -E-mail -Supplier assessment -Questions (Questionnaire) -Telephone 	<ul style="list-style-type: none"> -Increased order quantity -Transparency, fairness -Popular and trustworthy -Received products exactly as agreed -Get paid for goods and services as scheduled -Forecast order quantity -Non discrimination -Support projects and activities that customers Request for satisfaction 	<ul style="list-style-type: none"> -Support information necessary for purchasing tasks such as product specifications, product details including terms and conditions both in terms of quality, delivery, service, which have been agreed upon. -Pay the goods on time, correct and complete according to the agreement -There is a selection of vendors -There is an inspection at the production site, transparent and fair corporate governance, can be inspected

Customer and Consumer	<ul style="list-style-type: none"> -Meet customers -Satisfaction survey -Product brochures -E-mail -Electronic devices such as telephone lines 	<ul style="list-style-type: none"> -On time delivery -Reasonable/reasonable price -Quality complaints are center -No contamination in the product -Maintain customer confidentiality -Comply with trade laws -Constantly complying with the quality system and the environment -Warranty and good after-sales service - Customers are satisfied with the company - price reduction - There is management of the organization's greenhouse gases. 	<ul style="list-style-type: none"> -The company has been certified with ISO 9001, 14001, JIS H 4000 and IS 15392 (BIS) according to customer requirements -Measure the results according to the satisfaction of customer -Comply with customer requirements -Produce products according to customer requirements - Deliver products on time that customers require. -Listen to opinions, suggestions to take into account and improve
Community	<ul style="list-style-type: none"> -Meet the community -Phone / Line -Community public relations board 	<ul style="list-style-type: none"> -Good environment does not cause pollution that is harmful to the community. -Support the activities of the CSR community -Listen to opinions, suggestions, complaints from the community to listen to problems. --Employing people in the community 	<ul style="list-style-type: none"> - There are activities to support, donate, repair and build for communities, schools, temples. - There are complaints from surrounding communities to improve. - There is regular government inspection.
Business partner	<ul style="list-style-type: none"> -Meetings/online meetings (ZOOM Google meet etc.) -Meet business partners -E-mail 	<ul style="list-style-type: none"> -Transparency and fairness -No discrimination -Returns received from selling reasonable products -Customer confidentiality -On time delivery -service guarantee -Follow customer requirements 	<ul style="list-style-type: none"> - There are standards consistent with customers' requirements. - Measure results based on customer satisfaction - Comply with customer requirements to meet their needs. - Produce products according to customer requirements - Deliver products on time. -Govern the business with transparency and fairness that can be audited.
Creditor	<ul style="list-style-type: none"> -E-mail -Telephone 	<ul style="list-style-type: none"> -Pay debts on time -Provide the company to have good performance 	<ul style="list-style-type: none"> -Listen to opinions, suggestions to take into account and improve -Can Inspect every step.
Shareholder and Investor	<ul style="list-style-type: none"> -Annual Shareholder meeting -Performance announcement quarterly -Annual Report -Telephone / E-mail / Investor Relationship / Call center -Website -Factory's site visit 	<ul style="list-style-type: none"> -Receive appropriate and consistent dividends -Good operating results -Good Corporate Governance, Transparency -Comply with laws 	<ul style="list-style-type: none"> -Control the business with transparency and fairness, verifiable -Disclose important and necessary information about the Company's operations. -Listen to opinions/suggestions in order to develop the operation -Have a Business Code of Conduct
Government Authority	<ul style="list-style-type: none"> -Letter -E-mail -Telephone -Site visit, meeting 	<ul style="list-style-type: none"> -Conducting business that is transparent and in accordance with the law -Pollution does not exceed the legal limit -Comply with the law Submit a complete report -Help, support information that is needed and needed 	<ul style="list-style-type: none"> -Comply with all laws -Support legal and necessary information upon request

Economic management

In 2023, the company has set goals for managing the organization in the economy of 3 main items as follows:

1. Improving production lines for efficiency and effectiveness able to meet the needs of customers by 2022.
2. Develop the level of satisfaction of all customers to A level. and
3. Zero corruption complaints in the supply chain.

3.3 Sustainability management in environmental dimensions**3.3.1 Environmental policies and practices**

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

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

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

3.3.2 Environmental performance**Environmental care**

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

1. Designate a person responsible for controlling the business operations in order not to cause an impact on the environment that exceeds the standard and has implemented environmental impact mitigation measures and environmental monitoring measures (EIA) under control in charge of the Department of Industrial Works Ministry of Industry and the Environmental Impact Assessment Division. The Office of Environmental Policy and Planning determines twice a year that the results of the environmental quality inspection are still lower than the standards set for every item and in the past the company has never had a history of any environmental offenses.

2. Carrying out activities with society, community and environment By participating in the project to promote industrial factories for social responsibility and sustainable communities (CSR-DIW) for the year 2021 with the Department of Industrial Works and received a certificate and a plaque for the CSR-DIW Award for the year 2021 and the company continues to practice social and community responsibilities in cooperation with the government and communities to Surrounding communities that are located have a better quality of life as well as participating in local traditional events organized by different agencies. There are other activities in the area close to the company and also provides a channel for receiving complaints if the community is affected by any consequences of the company's business operations. In the past year, the company has not received any complaints related to the impact of environmental operations. from communities and companies nearby in any way.

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

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

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

Air pollution

Due to air pollution affects employees, the community surrounding the company, and the environment. The company operates businesses that do not affect the environment, choosing the appropriate technology as well as the production process, using clean energy (natural gas "NG") and solar rooftops including proper waste management for emissions control is below the acceptable standard less than 10% of the standard value based on the report of the measurement of the number of contaminants in the air leaving the system from the chimney, including the environmental inspection report (EIA) 2 times/year and responds quickly and efficiently to incidents affecting the environment and community due to the Company's operations by fully cooperating with government officials and related agencies for comply with laws, great focus on environmental management by instilling awareness of social and environmental responsibility among employees at all levels responsibility and commitment to environmental stewardship as well as local customs and traditions where the organization is located including guidelines for good practices for sustainable development.

Energy Conservation and Greenhouse Gas Emission Management

The Company's production processes, and waste materials have no impact on the environment more than the amount required by law. Due to the company's aluminum melting uses aluminum ingot which has a purity of 99.7% and uses natural gas (NG) as a fuel instead of high-grade furnace oil fuel for melting. Consequently, there is very little pollution, and is within the limits prescribed by law. Furnaces and related machinery and equipment are inside the factory building with surrounding walls. As a result, the sound does not have any effect on the wastewater such as water contaminated with oil caused by the cooling system of the aluminum sheet casting process which is treated through a sewage manhole, oil stain trap system as well as wastewater treatment system before the wastewater is released and there is also a standardized wastewater treatment plant to treat wastewater. Raw material scraps, most of which are aluminum, can be 100% recycled, while the waste or unused materials have been sent to dispose of/treat properly according to the system and the law. Therefore, it does not have any impact on the environment.

In addition, the company has also implemented environmental impact mitigation measures and environmental monitoring measures (EIA) under the supervision of the Department of Industrial Works, Ministry of Industry, and the Environmental Impact Assessment Division, the Office of Environmental Policy and Planning has set it every year, twice a year. The results of the environmental quality examination are still lower than the standards set for every item and in the past, the company has never had a history of committing any environmental offenses. In the past year, the Company had expenses incurred to control such environmental impacts, Greenhouse Gas Management, Standard Certification in the amount of approximately 2 million baht. The Company has carried out the use of natural gas (NG) to replace the fuel or alternative energy to the existing fuel oil since the end of 2003 can help reduce pollution and greenhouse gas emissions (CO₂ / emission) by at least 3,367,412 per year - 6,285,835 kg CO₂/yr. accounted for 25% as shown in the table below including the installation of dust extraction systems around the furnace, and deodorizing furnace. Thus, it can help to reduce the impact on the environment to be less than before and maintains the environmental management process according to ISO 14001:2015, which is the latest and current version.

Type	Unit	CO ₂ kg CO ₂ /Unit	Emission kg CO ₂ /yr.	
			NG use 15,000 MMBtu/month	NG use 28,000 MMBtu/month
Natural gas	scf	0.0572	10,060,219	18,779,075
Residual fuel oil	litre	3.0800	13,427,630	25,064,910
Reduce CO₂ (emission) /yr		25%	3,367,412	6,285,835

The company has participated in a demonstration project (prototype) for a high-efficiency furnace in the aluminum industry which is a project between the Department of Industrial Works, Ministry of Industry, and Japan New Energy and Industrial Technology Development Organization (NEDO) to promote energy efficiency and environmental protection by introducing high-efficiency industrial furnaces which will be able to reuse the lost heat energy (discharge) (Regenerative Burner) and proceed to disseminate the application of technology widely and use the company's factory is the location of the project still going well. After the installation was completed in September 2009, there was an opening ceremony of the project, technology dissemination seminar, project audit, machine registration as well as visiting the project to expand results and doing knowledge management in a sequence. In 2013, the company also joined the project to promote energy conservation materials and equipment of the Department of Alternative Energy Development and Efficiency (DEDE) to reduce power consumption protect the environment by modifying the common furnace burner into a regenerative burner that can recycle lost heat energy (discharge) as with the first project (which in the present regenerative burner is considered the best technology to save energy), the project can reduce energy consumption and reduce carbon dioxide emissions by 30% as the target, thus helping to reduce greenhouse gas emissions in the country and help reduce global warming as well. At present, the company is still used in the project as the main machine which contributes to the production of more quantity and quality and can help reduce pollution and greenhouse gas emissions (CO₂ / emission) to at least 4,311,522.28 - 8,048,175 kg CO₂/yr, equivalent to 30% per year as shown in the table below.

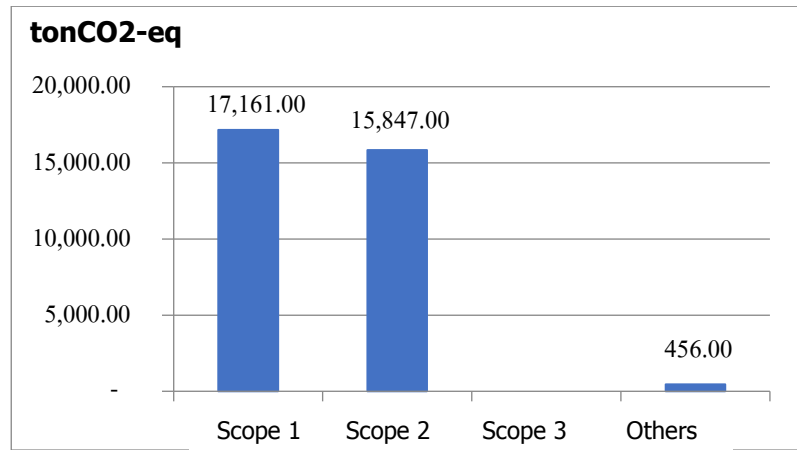
Type	Unit	Emission kg CO ₂ /yr	
		NG use 15,000 MMBtu/month	NG use 28,000 MMBtu/month
Normal Burner	scf	14,371,740.94	26,827,250
Regenerative Burner	scf	10,060,218.66	18,779,075
Reduce CO₂ emission kg CO₂/yr	30%	4,311,522.28	8,048,175

The company has also joined the project to replace the LED lamp and install VSD of the air compressor. The project to change the air conditioner and water chiller of the machine to a high efficiency includes a project to modify, improve or use an automatic control system to increase efficiency in the compressed air system of the Department of Alternative Energy Development and Efficiency (DEDE) and was completed in June 2019, receiving a project fund in the amount of 20% of Investments but not more than the average price set. In 2021 the company can still be used well, resulting in energy savings, reducing environmental impact, and have a target return period

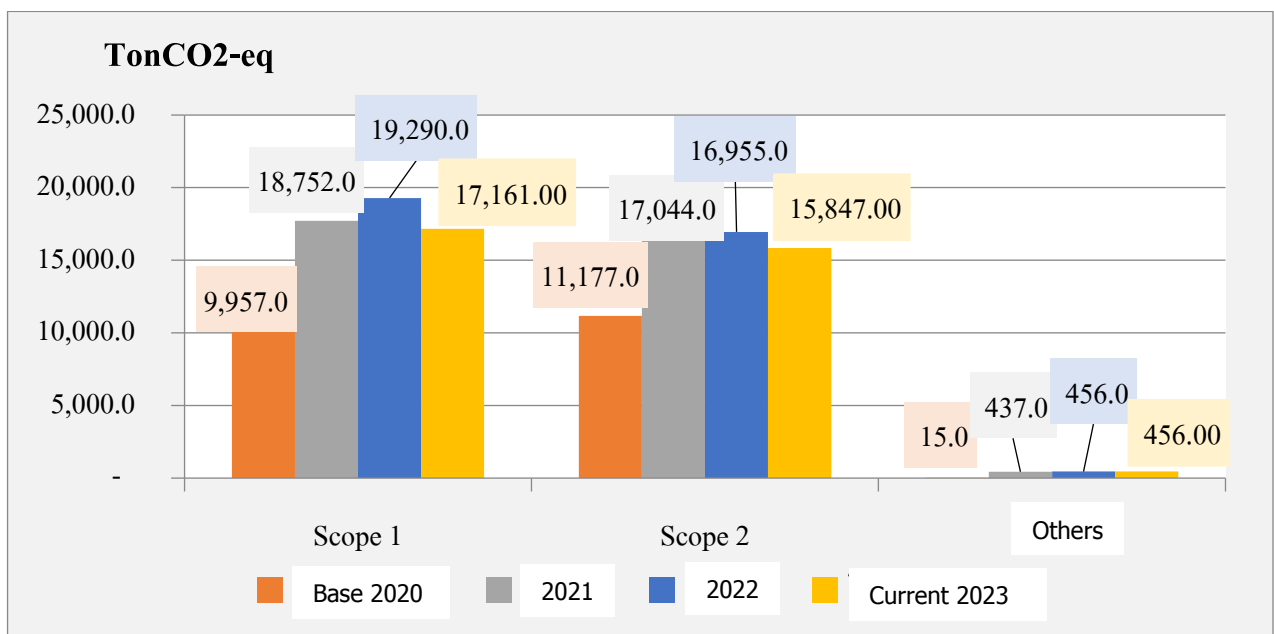
In 2020, the company also participated in the project to develop a prototype suitable production system with innovation and IoT of the Institute of Science and Technology Research, Chiang Mai University, and Department of Industrial Works to support the application of the Internet of Things (IoT) system in conjunction with the production system in the factory for maximum efficiency and received a plaque of honor that has been selected as a model industrial factory in IoT innovation from participating in the project

For the energy-saving project plan in 2023, the company has a policy focused on energy saving using clean energy. The initial project will be an improvement and installing a solar rooftop with related agencies to support the use of clean energy and reduce the cost of electricity, etc. In 2023, the project was implemented in various parts and gradually completed by starting testing the use in the first phase and will officially begin use within 2024, while Phase 2 will begin testing its use within 2024 as well.

The company is committed to conserving energy within the organization by implementing the energy management system in accordance with the guidelines of the Energy Conservation Promotion Act (Amended Edition B.E.2550) and responsibility for overseeing efficient and sustainable energy management by appointing an Energy Conservation Working Group to control the operation for maximum efficiency and in accordance with the law and recognizes the importance of the world's severe climate change problem from the industrial sector, which contributes to global warming and affects the environment. Therefore, the Company has promoted and formulated guidelines for reducing greenhouse gases. The Company's Carbon Footprint Management Working Group has been appointed to collaborate on ecosystem protection and reduce global warming as well as continually restore the natural environment. It has the policy to encourage employees to understand the concept of the carbon footprint of the organization and products, data storage for calculating carbon footprint monitoring, reporting and Verification of Greenhouse Gas Emissions or Reabsorption for lead to the planning of activities to reduce greenhouse gas emissions in the organization by promoting participation as a pilot plant in an expansion project to promote the creation of carbon footprint of organizations in the industrial sector Federation of Thai Industries in 2021 which has been continued until 2023. In 2023 the company continues to reduce greenhouse gas emissions in the organization and drives to reduce greenhouse gas emissions both directly (Scope 1) and indirectly from energy use (Scope 2) and has been verified by TUV NORD Thailand Co., Ltd., which has standards and is internationally accepted, including being registered as an inspector and verifier of corporate greenhouse gas emissions reports from the management organization, and Thailand Greenhouse Gas Management Organization (Public Organization) or TGO, which the results of greenhouse gas emissions both directly (Scope 1) and indirectly from energy use (Scope 2) are in line with the criteria for certifying greenhouse gas emissions according to the Carbon Footprint Assessment Guidelines and the requirements for calculating and reporting of Thailand Greenhouse Gas Management Organization (Public Organization) or TGO 8th edition, 6th revision, July 2022, and according to ISO 14064-1 and ISO 14064-2 standards. GHG emissions results of 2023 compared to the base year are as follows:



GHG emissions, both direct (Score 1) and indirect from energy use (Score 2), 2022



GHG emissions, both direct (Score 1) and indirect (Score 2) from energy use, 2023 compared to the base year

In this 2023 report, compared to the base year 2020 which there is a direct change in the data (Scope 1) of the base year (2020) due to an error in the conversion of the formula as a result, the data used to calculate the emission factor is incorrect. The data was continues to change from 2022. This amendment has been discussed with officials of Thailand Greenhouse Gas Management Organization (Public Organization) or TGO, which provides current and accurate information. It was seen that the organization's greenhouse gas emissions in 2023, both direct (Scope 1) and indirectly from energy use (Scope 2), have increased. due to the company's production volume increased from the base year by 76.24 percent, resulting in increased greenhouse gas emissions in the organization by 54.42%, with the organization's greenhouse gas emissions per production volume reduced by 12.38% from the base year, which is a good result that will push for action to continuously reduce greenhouse gas emissions.

In 2023, there were 2 energy reduction projects in electricity and heat, which resulted in the reduction of greenhouse gases with the following measures

Measures 1: Install Solar rooftop Phase 1 to reduce greenhouse gases by an amount 624.60 tons of carbon dioxide equivalent/year, which the company will receive carbon credits for reducing carbon dioxide emissions of 5% of all greenhouse gases according to the agreement, which will reduce the amount of 31.23 tons of carbon dioxide equivalent/year.

Measures 2: Install a Booster Temp Box at Caster1, 5, reducing greenhouse gas emissions by 833.64 tons of carbon dioxide equivalent/year.

From the implementation of these 2 measures, greenhouse gas emissions can be reduced by 864.87 tons of carbon dioxide equivalent can be reduced at a rate of 2.60 percent, which the company continues to focus on managing to continuously reduce greenhouse gas emissions according to international standards.

Continuing from the end of 2021 to 2023, the company studied and signed a contract with Gulf 1 Company Limited to install a Solar Rooftop system in the amount of 3 MW on the factory roof. It is expected to be completed by 2023. In addition to reducing energy costs, it also reduces greenhouse gas emissions (Emissions) by at least 2,422,900 kg CO₂/year (4,049,000 x 0.5984) and simultaneously increases production potential. In 2023, the project was implemented in various parts and has been gradually completed respectively by starting tests in Phase 1 and will officially begin using within 2024, while Phase 2 will begin testing within 2024 as well.



Project of Solar rooftop

The company signed an agreement with Bangkok Industrial Gas Co., Ltd. (BIG) and Iwatani Corporation (Thailand) Co., Ltd. to apply innovation and technology to reduce greenhouse gas emissions by installing production units industrial gas (On-site Gas Generation Unit) in the factory to enter the production process directly. This is an efficient and socially responsible use of the world's limited resources, reducing costs and time in transportation, as well as reducing carbon emissions from the transportation sector by more than 800 tons of CO2e per year and reducing greenhouse gases to solve the problem. Global warming can be another way.



Project of On-site Gas Generation Unit

The company has participated in the research, development, and engineering (RD&E CO-RESEARCH CONTRACT) project "Preparing environmental database of an aluminum industry group to support Carbon Border Adjustment Mechanism (CBAM)" with the National Science and Technology Development Agency by Metal Technology Center. and the National Materials and the Federation of Thai Industries, Aluminum Industry Group of The Federation of Thai Industries to be a pilot project in the industry to create a central database, Life Cycle Assessment (LCA), or a systematic assessment throughout the life cycle of aluminum products in Thailand.



ความร่วมมือระหว่างภาคเอกชนและภาควิชาการเพื่อเตรียมการรองรับ CBAM

19 กันยายน 2565

VAROPAKORN PUBLIC CO., LTD. ส.อ.ท. จับมือ MTEC ลงนาม MOU จัดทำฐานข้อมูลกลางด้านสิ่งแวดล้อมของกลุ่มอุตสาหกรรมอะลูมิเนียม (LCA) เพื่อรองรับมาตรการ Carbon Border Adjustment Mechanism (CBAM) ในเฟสแรก (ร่วมกับ 11 บริษัทผู้ผลิตอะลูมิเนียม 3 กลุ่มผลิตภัณฑ์)

Logos: FTI, MTEC, NSTDA, UACJ, THAI METAL ALUMINIUM, TOSTEM, MEYER, MUANGTHONG ALUMINIUM, CAP, and others.

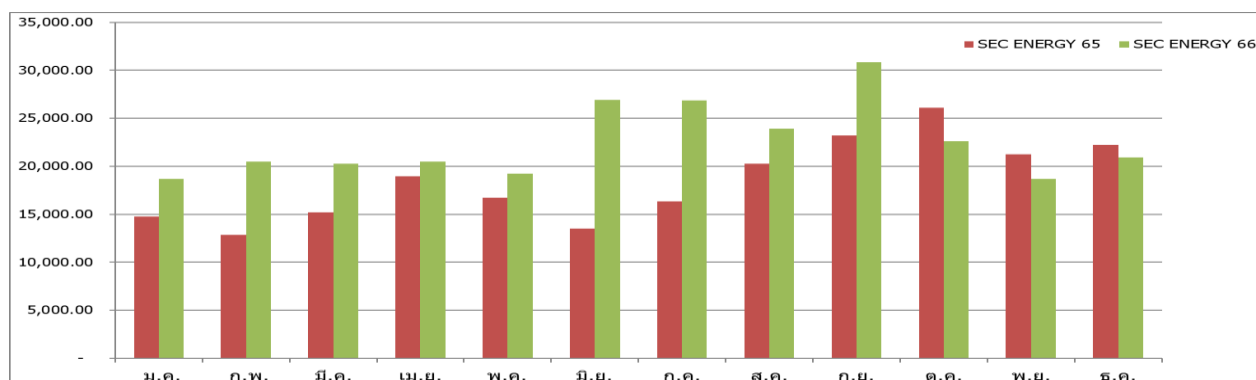
Project of Carbon Border Adjustment Mechanism (CBAM)

Efficient resource management

The main energy used by the company is electricity and natural gas (NG), which drive the company's production process and are one of the costs that will result in the company's increasing profits. The company is committed to energy conservation within the organization by implementing an energy management system in accordance with the guidelines of the Energy Conservation Promotion Act (Amendment in 2007) in order to have efficient and sustainable energy management practices and responsibilities. The company has compared the energy consumption per unit of aluminum production in 2022 and 2023. The energy consumption per unit of aluminum production in 2023, there was has a 24.13 percent decrease in energy consumption per unit. This shows that energy consumption and production volume has decreased compared to 2022 due to the increase in the cost of electricity and natural gas per unit, the company has a process to install a solar cell system. and other activities that cause electricity use to increase accordingly. The Company is not complacent in reducing energy and set a target to reduce electricity consumption by 5 percent per year, with continued efforts to reduce energy use. There are campaign measures and public relations organize activities to provide knowledge on reducing energy use for all employees to consider using energy wisely, such as turning off lights when not in their area or work desk, turn off the computer screen when not in use, adjust the air conditioner to 25 degrees and turn off the air conditioner after work. This is something that employees must practice as an organizational culture that all employees cooperate very well. In 2023, the company still has measures to continue using resources for maximum efficiency.

Year 2022				Year 2023			
Output quantity (Unit) Average/month	amount of energy used		Specific Energy Consumption (SEC) (MJ / Unit)	Output quantity (Unit) Average/month	Output quantity (Unit)		Specific Energy Consumption (SEC) (MJ / Unit)
	electricity (kWh)	heat (MJ)			electricity (kWh)	heat (MJ)	
2,146.57	2,842,333.33	27,507,842.76	17,581.69	1,599.74	2,641,666.67	25,403,141.91	21,824.31

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



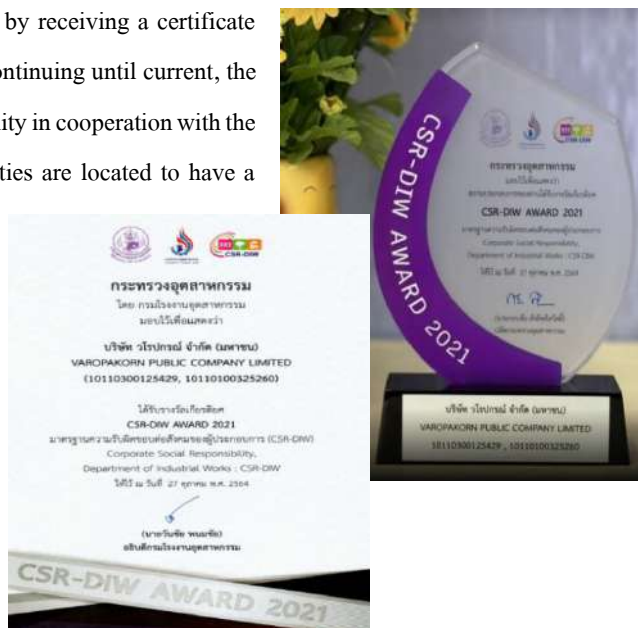
Comparison table of energy consumption per unit of aluminum production in the year 2022 and the year 2023

3.4 Sustainability management in social dimensions

3.4.1 Social policies and practices

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

The company carries out activities with society, community, and the environment, by participating in the project to promote industrial factories for social responsibility and sustainable communities (CSR-DIW) for the year 2021 with the Department of Industrial Works, and passed the consideration by receiving a certificate and a plaque for the CSR-DIW Award for the year 2021 and continuing until current, the company continues to practice social and community responsibility in cooperation with the government and community so that the surrounding communities are located to have a better quality of life as well as respecting participation in local traditions that various organizations have established in the vicinity It also provides a channel for receiving complaints if the community is affected in any way due to the Company's business operations. In the past year, the Company has not received any complaints related to environmental impact from communities and neighboring companies.



Responsible production and service to customers

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

3.4.2 Social Performance

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



Blood Donation Volunteer Project, One Person Gives Many for the Life of fellow human beings: The company has operated a volunteer blood donation project. One person gives, and many receive for the life of fellow human beings in collaboration with the Thai Red Cross Society in order to increase the scarce blood supply to be sufficiently Used to save the lives of patients who need blood every second and to help sick people in various hospitals by continuing to carry out activities every 3 months, which has been a continuous activity for 4 years and has a policy to continue this activity continuously.



Blood donation activities

+ Varopakorn Employee Volunteer Project: Together with villagers in nearby communities, help clean the temple area, public places to strengthen the spirit of sacrifice and unity to create a good relationship between the company and villagers in the community.



Activities to help clean the temple area public places

+ **Activities to build relationships with communities around the factory:** The company has taken waste materials from the production process, such as scrap wood pallets, empty pipes, and others, to convert them into things to use. and give some of the scraps to villagers and nearby communities for further use.



Activities to donate leftover wood scraps from the production process for villagers in nearby communities to use.

+ **Children's Day activities,** the company supports gifts for representatives of communities, villages, schools and police stations in the vicinity of the company to be used in organizing activities given to children in the community every year.



Supporting Children's Day activities for nearby communities by giving money and things to the representatives of the community

Participate in Kathin activities, make almshouses with communities, nearby temples



Respect for human rights

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

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

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

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



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

Fair treatment of labor

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



Award in the Happiness Development Project to be a sustainable health organization.

Safety, Occupational Health, Security and working environment

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

List	Year 2023 (number of cases)	Year 2022 (number of cases)	Year 2021 (number of cases)
Total number of accidents	8	8	13
number of work injuries	1	1	6
The number of accidents leading to time off work	7	7	7

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

Conducting business with fairness

According to the company has conducted a survey of customer satisfaction with the quality of products and services by surveying the opinions and experiences of 30 customers who ordered products from the company in 2023, with the subject of evaluation from product quality, Delivery, Sales & Marketing, Technical service found the criteria for satisfaction in the year 2023 are as follows:

No.	Score	Satisfaction level	Number of customers (case)	% of all customers
1	41-50	Highest level	13	43.33%
2	31- 40	High level	7	23.33%
3	21 - 30	Moderate level	2	6.67%
4	11 - 20	Low level	0	-
5	< 10	Level should improve	0	-
6	NA	Not replying	9	30.00%
รวม			30	100%

The satisfaction level is categorized into 5 levels: excellent, very good, good, moderate and needs improvement. Satisfaction Scores Most High 5, Great 4, Good 3 Fair 2, Needs Improvement 1

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

Objective	Target	Heading	Assessment results
Customer Satisfaction Survey	$\geq 70.00\%$	All surveyed customers	30
		surveyed customers	21
		% of customers who submitted surveys	73.33
	$\geq 85.00\%$	Grade A rating customers (cases)	13
		Customers assessed grade B (cases)	7
		%Survey Grade A and Grade B	90.9

When comparing customer satisfaction with the year 2022, the percentages are as follows:

1. All surveyed customers 25 percent increase.

2. Customers surveyed for Grade A and Grade B combined dropped 9.52%.

Corporate Social Responsibility (CSR)

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

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

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

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

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

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

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

Donations for various charities: In addition to perform social responsibility on the part of normal business operations (in process), the company has performed beyond normal business operations (after process) with a donation of money/property

to the public charity through various government agencies and charities as well as charity events such as giving gifts on Children's Day to surrounding communities Blood Donation for the Thai Red Cross Society Kathin Ceremony.



Monthly birthday activities for employees

New Year's gift exchange activity between employees and executives



New Year's party activities



Company merit-making activities



Shrine worship activities



Road cleaning activity to reduce dust in the factory

Activities for important festivals such as Chinese New Year



Training and seminar activities to create awareness of cost reduction

4. Management Discussion and Analysis : MD&A

In 2023, the company will continue to focus on selling the company's main products in roll products such as Finstock & Precoated Finstock, Finstock for Automotive Heat Exchangers, Coil, and Foil, with total sales decreasing from 3,754.76 million baht to 2,509.76 million baht, representing an decrease 33.15% from the year 2022, with the sales proportion of Rolled Product 91.95%, an decrease from 96.30% of total sales compared to the year 2022. The sheet product has proportion of sales increase from 3.67% to 7.34% compare with 2022.

For operating results in 2023, the company had sales of 2,509.76 million baht, an decrease from 3,754.76 million baht, representing an decrease of 33.15% from the previous year. This is mainly due to high competition of price in the Americas region resulting in a decline in market share. The percentage of the cost of sold per sale, it slightly increased from 97.43% to 98.60% due to due to higher energy costs and lower business volumes. Selling and administrative expenses decreased by 1.15 million baht from 96.15 million baht to 94.99 million baht following decreased sales.

Due to the weakening of the baht, there was a profit from exchange rates of 7.14 million baht. Interest increased from 38.33 million baht to 53.17 million baht due to higher interest rates. There was other income of 7.44 million baht. Loss from derivatives 14.14 million baht

In summary, in 2023, the company had a net loss after tax of 108.51 million baht or 1.09 baht per share, compared to the previous year with a loss of 58.79 million baht or 0.59 baht per share However, the company had a loss before interest and taxes plus amortized depreciation (EBITDA) was at 0.01 from the original 1.01 of revenue.

At the end of 2023, the company had total assets of 2,099.06 million baht, a decrease from 2,336.32 million baht. Current assets decreased from 1,438.26 million baht to 1,263.11 million baht, which was mainly a decrease in inventories from 819.70 million baht to At 717.09 million baht, trade and other receivables decreased from 506.84 million baht to 466.20 million baht. Fixed assets increased from 895.93 to 834.31 million baht due to depreciation. Other current assets increased from 66.85 million baht to 78.53 million baht, most of which were tax refunds and advance payments for goods. In terms of overall liabilities, it was 1,327.52 million baht, down from 1,457.86 million baht, as a result of current liabilities decreasing from 1,299.14 million baht to 1,199.67 million baht, while the outstanding balance of long-term loans (Excluding the portion of long-term loans due within 1 year) decreased from 87.39 million baht to 61.60 million baht. Non-current liabilities decreased from 158.72 million baht to 127.86 million baht, most of which were long-term loans for machinery. Employee benefit reserves decreased from 30.13 million baht to 26.98 million baht. Shareholders' equity decreased from 878.46 million baht to 771.53 million baht, due to losses in the year. And the negative unallocated retained earnings increased from 202.24 million baht to 309.17 million baht.

As for the overall financial position, liquidity remained tight. The liquidity ratio increased from 1.11 to 1.05. The ratio of total liabilities to equity increased from 1.66 to 1.72. The profitability ratio was negative with a profit margin of -4.30, Return on Equity and to total assets at -13.15% and -4.98% respectively.

In 2023 the company had a net cash flow from operating activities of 64.89 million baht, a decrease compared to the year 2022 at 392.56 million baht. Net cash used in investing activities of 47.64 million baht from the previous year at 45.16 million baht. Net cash used in spent financing activities was 60.82 million baht from the previous year of 312.66 million baht.

Net cash for the period decreased from an increase of 34.73 million baht to decrease of 43.57 million baht. The average debt collection period was 71 days, an increase from 50 days. Rrepayment period increased from 132 days to 141 days.

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

Summary of financial statements	2023	Rate	2022	Rate	2021	Rate
		%		%		%
Assets						
Current assets						
Cash and cash equivalents	1,291,614.20	0.06	44,862,267.46	1.92	10,129,688.43	0.36
Investments in trading securities						
Trade receivables						
Related companies	141,660,029.95	6.75	231,414,297.14	9.91	237,512,310.63	8.37
Unrelated Company - Net	324,541,261.77	15.46	275,427,800.79	11.79	276,426,135.82	9.74
Trade receivables - net	466,201,291.72	22.21	506,842,097.93	21.69	513,938,446.45	18.10
Inventories - net	717,088,746.44	34.16	819,699,896.45	35.09	1,393,729,306.52	49.09
Other current assets						
Input tax refundable	65,964,981.87	3.14	56,649,338.94	2.42	145,916,856.20	5.14
Corporate income tax refundable		0.00		0.00	0.00	0.00
Derivatives assets		0.00		0.00	3,773,106.17	0.13
Others	12,561,258.87	0.60	10,203,995.12	0.44	21,375,785.62	0.75
Total current assets	1,263,107,893.10	60.18	1,438,257,595.90	61.56	2,088,863,189.39	73.57
Non-current assets						
Restricted bank deposits	400,000.00	0.02	400,000.00	0.02		
Property, plant and equipment - net	834,310,948.98	39.75	895,925,317.01	38.35	746,159,240.77	26.28
Other non-current assets						
Deferred technical assistance fee						
Deposit for the purchase of machinery		0.00		0.00	0.00	0.00
Intangible assets	871,941.32	0.04	1,222,910.38	0.05	1,632,713.34	0.06
Deferred tax assets		0.00		0.00	1,636,633.06	0.06
Other non-current assets	365,000.00	0.02	509,500.00	0.02	849,500.00	0.03
Total non-current assets	835,947,890.30	39.82	898,057,727.39	38.44	750,278,087.17	26.43
Total assets	2,099,055,783.40	100.00	2,336,315,323.29	100.00	2,839,141,276.56	100.00
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	219,198,028.90	10.44	225,068,888.46	9.63	90,725,310.29	3.20
Accounts payable - trust receipts	701,751,038.88	33.43	733,750,760.98	31.41	1,171,364,648.21	41.26
Trade payables - related parties						
Trade payables						
Related companies	0.00	0.00	561,839.37	0.02	1,448,643.08	0.05
Unrelated Company	217,096,308.99	10.34	260,866,915.65	11.17	468,286,078.94	16.49
Total trade payables	217,096,308.99	10.34	261,428,755.02	11.19	469,734,722.02	16.54
Other trade payables - related parties						
Related companies		0.00		0.00		0.00
Unrelated Company		0.00		0.00		0.00
Current portion of long-term loans	25,788,000.00	1.23	33,540,000.00	1.44	33,540,000.00	1.18
Portion of liabilities under finance lease agreements due within one year	926,105.52	0.04	875,444.13	0.04		0.00
Derivative liabilities	11,144,346.00	0.53	24,787,425.88	1.06		
Other current liabilities						
Accrued corporate income tax		0.00		0.00		0.00
Accrued expenses		0.00		0.00		0.00
Account payable from purchases of machinery and equipment	10,933,782.77	0.52	10,741,969.70	0.46	12,865,821.19	0.45
Accrued expenses for repairing machinery damaged by fire						
Others	12,830,623.40	0.61	8,942,626.05	0.38	127,162,149.58	4.48
Total current liabilities	1,199,668,234.46	57.15	1,299,135,870.22	55.61	1,905,392,651.29	67.11
Non-current liabilities						
Long-term loans, net of current portion	61,600,000.00	2.93	87,388,000.00	3.74	120,928,000.00	4.26
Finance lease liabilities - net of portion due within one year	2,721,652.37	0.13	3,647,757.89	0.16		0.00
Deferred government grants	1,546,426.03	0.07	1,913,884.75	0.08	2,281,343.47	0.08
Provision for long-term employee benefits	26,981,324.92	1.29	30,127,422.92	1.29	30,077,951.92	1.06
Deferred tax liabilities	35,006,128.27	1.67	35,643,667.39	1.53		0.00
Total non-current liabilities	127,855,531.59	6.09	158,720,732.95	6.79	153,287,295.39	5.40
Total liabilities	1,327,523,766.05	63.24	1,457,856,603.17	62.40	2,058,679,946.68	72.51
Shareholders' equity						
Share capital						
Registered						
100,000,000 ordinary shares of Baht 5 each	500,000,000.00		500,000,000.00		500,000,000.00	
Issued and fully paid						
99,902,123 ordinary shares of Baht 5 each	499,510,614.96	23.80	499,510,614.96	21.38	499,510,614.96	17.59
Share premium	374,400,000.00	17.84	374,400,000.00	16.03	374,400,000.00	13.19
Retained earnings						
Appropriated - statutory reserve	50,000,000.00	2.38	50,000,000.00	2.14	50,000,000.00	1.76
Unappropriated	-309,169,257.61	-14.73	-202,242,554.84	-8.66	-143,449,285.08	-5.05
Other components of equity	156,790,660.00	7.47	156,790,660.00	6.71		
Total shareholders' equity	771,532,017.35	36.76	878,458,720.12	37.60	780,461,329.88	27.49
Total liabilities and shareholders' equity	2,099,055,783.40	100.00	2,336,315,323.29	100.00	2,839,141,276.56	100.00

Table : Income statement comparing past 3 years

Summary of financial statements	2023	Rate	2022	Rate	2021	Rate
	บาท	%	บาท	%	บาท	%
Revenues						
Sales	2,509,760,125.82	99.42	3,754,757,041.47	99.79	2,575,822,823.26	99.55
Other income						
Unrealised derivatives gain		0.00		0.00		0.00
Reduced interest on the loan						
Compensation for machinery damaged on fire						
Gain on exchange	7,144,775.83	0.28		0.00		0.00
Gain on sale of assets		0.00		0.00		0.00
Gain on commodity swaps contracts		0.00		0.00		0.00
Gain on derivatives revaluation		0.00		0.00	3,773,106.17	0.15
Others	7,442,752.45	0.29	8,076,864.90	0.21	7,953,336.06	0.31
Total revenues	2,524,347,654.10	100.00	3,762,833,906.37	100.00	2,587,549,265.49	100.00
Expenses						
Cost of sales	2,474,575,793.51	98.03	3,658,194,014.18	97.22	2,458,696,412.01	95.02
Allowance for diminution in value of inventory (reversal)		0.00		0.00		0.00
Selling expenses	39,818,366.40	1.58	41,131,608.26	1.09	33,899,621.54	1.31
Administrative expenses	55,179,964.23	2.19	55,017,767.29	1.46	51,856,639.41	2.00
Management remuneration		0.00		0.00		0.00
Loss on exchange		0.00	6,084,171.80	0.16	23,763,301.39	0.92
Loss on commodity swap contracts		0.00		0.00		0.00
Loss on derivatives revaluation	11,144,346.72	0.44	24,787,426.31	0.66		0.00
Total expenses	2,580,718,470.86	102.23	3,785,214,987.84	100.59	2,568,215,974.35	99.25
Profit before finance expenses and corporate income tax	-56,370,816.76	-2.23	-22,381,081.47	-0.59	19,333,291.14	0.75
Finance expenses	-53,172,002.13	-2.11	-38,329,553.32	-1.02	-16,488,392.03	(0.64)
Profit before income tax	-109,542,818.89	-4.34	-60,710,634.79	-1.61	2,844,899.11	0.11
Corporate (income)/expense tax benefit	1,033,254.52	0.04	1,917,364.55	0.05	1,028,622.08	0.04
Profit for the year	-108,509,564.37	-4.30	-58,793,270.24	-1.56	3,873,521.19	0.15
Other comprehensive income for the year						
Profit in subsequent periods						
Actuarial gain - net of income tax	1,582,861.00	0.06		0.00	0.00	0.00
			156,790,660.00			
Total comprehensive income for the year	-106,926,703.37		97,997,389.76		3,873,521.19	
Net profit	-1.09		-0.59		0.04	

Table : Statement of Cash Flows Comparison past 3 years

Cash flow statement	2023 Baht	2022 Baht	2021 Baht
Cash flows from operating activities			
Profit (loss) before tax	-109,542,818.89	-60,710,634.79	2,844,899.11
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities :-			
ดอกเบี้ยเงินกู้ยืมที่ได้รับลดหย่อน			
Depreciation and amortisation	108,761,102.45	96,701,596.00	99,576,375.00
Allowance for doubtful accounts			
Allowance for diminution in value of inventories (reversal)	8,812,772.00	-2,842,052.00	426,038.00
Write off machinery, equipment	842,992.00		
Amortization expenses of withholding tax			
(Gain) loss on disposal/write-off of machinery and equipment and vehicles		-467,365.00	-183,545.00
(Gain) loss on disposal/write-off of intangible assets			
Unrealised exchange (gain) loss	-7,690.00	-16,290,493.00	7,766,264.00
(Gain) Loss from unrealized derivatives			
(Gain) Loss from unrealized commodity swap contracts.			
(Gain) loss on derivatives revaluation	11,144,346.00	24,787,426.30	-3,773,106.00
Income from government grant	-367,458.00	-367,459.00	-453,071.00
Finance expenses	53,172,002.00	38,329,553.30	16,488,392.00
Amortized interest under finance lease agreements			
Amortization of other current assets			
Loss on disposal of fixed assets			
Loss (gain) from disposal of fixed assets			
Provision for long-term employee benefits	2,335,050.00	2,881,515.00	2,582,156.00
Profit from operating activities before changes in operating assets and liabilities	75,150,297.56	82,022,086.81	125,274,402.11
Operating assets (increase) decrease			
Trade receivables	29,672,167.00	35,334.00	-226,710,445.00
Inventories	93,798,378.45	576,871,463.00	-899,706,228.00
Other current assets	-11,632,738.00	104,212,414.00	-119,086,095.00
สินทรัพย์อื่น			
Other non-current assets	144,500.00	340,000.00	60,000.00
Operating liabilities increase (decrease)			
เจ้าหนี้การค้าบริษัทที่ไม่เกี่ยวข้องกัน			
เจ้าหนี้การค้าบริษัทที่เกี่ยวข้องกัน			
Trade payables	-45,333,737.00	-211,675,700.00	371,228,951.00
Other payable - related companies			
Accrued expenses			
Accounts payable for the purchase of machines and factory equipment			
เจ้าหนี้บริษัทที่เกี่ยวข้องกัน			
ภาษีเงินได้นิติบุคคลค้างจ่าย			
ค่าซ่อมแซมเครื่องจักรที่เสียหายจากไฟไหม้ค้างจ่าย			
Other current liabilities	-20,939,598.00	-118,219,524.00	109,769,132.00
Other non-current liabilities	-3,502,571.00	-2,832,044.00	-395,768.00
Cash flows from operating activities	117,356,699.01	430,754,029.81	-639,566,050.89
Cash paid for interest expenses	-52,467,491.00	-38,198,286.00	-16,508,430.00
Net cash flows from operating activities	64,889,208.01	392,555,743.81	-656,074,480.89
Cash flows from investing activities			
เงินลงทุนในหลักทรัพย์เพื่อค่า			
Decreased (increased) in deposit for machinery		-400,000.00	
Decreased (increased) deposit for purchase of machinery	-47,719,342.00	-44,845,005.00	
Acquisition of machinery and equipment	357,785.00	542,776.00	-35,276,437.00
Proceeds from sales of machinery and vehicle			509,631.00
Acquisition of intangible assets	-277,200.00	-459,750.00	-150,000.00
Proceeds from the sale of intangible assets			
Proceeds from government subsidies			
Net cash flows used in investing activities	-47,638,757.00	-45,161,979.00	-34,916,806.00
Cash flows from financing activities			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	-5,870,859.00	134,343,578.00	-707,623.00
Increase (decrease) in accounts payable - trust receipts	-20,534,801.00	-413,147,966.00	729,032,668.00
Repayment of long-term loans	-33,540,000.00	-33,540,000.00	-33,540,000.00
Proceeds from long-term loans			
Payment of debt under the lease agreement	-875,444.00	-316,798.00	
Repayment of liabilities under finance lease agreements			
Dividend payout			
Net cash flows used in financing activities	-60,821,104.00	-312,661,186.00	694,785,045.00
Net increase (decrease) in cash and cash equivalents	-43,570,652.99	34,732,578.81	3,793,758.11
Cash and cash equivalents at beginning of year	44,862,266.80	10,129,687.99	6,335,929.88
Cash and cash equivalents at end of year	1,291,613.81	44,862,266.80	10,129,687.99
Supplemental cash flows information			
Non-cash items			
Assets acquired under lease agreements		4,840,000.00	

Table : Financial ratios comparing past 3 years

Important financial ratios		2023	2022	2021
Liquidity Ratio				
liquidity ratio	time(s)	1.053	1.107	1.096
Quick Ratio	time(s)	0.39	0.42	0.28
cash flow liquidity ratio	time(s)	0.05	0.25	(0.51)
Accounts Receivable Turnover Ratio	time(s)	5.14	7.34	6.41
Average collection period	day(s)	71	50	57
Average product turnover ratio	time(s)	14.77	7.36	18.35
Average sales lead time	day(s)	24.70	49.56	19.89
Payable turnover ratio	time(s)	2.58	2.77	2.26
Repayment period	day(s)	141.20	131.59	161.50
Cash Cycle	day(s)	-45.53	-32.27	- 84.66
Profitability Ratio				
Gross margin	%	1.40%	2.57%	4.55%
Operating Profit Ratio	%	-2.38%	0.01%	1.22%
Other margin	%	0.29%	0.21%	0.31%
Cash-to-profit ratio	%	-115.11%	-1753.96%	-3393.50%
Net profit margin	%	-4.30%	-1.56%	0.15%
Return on Equity	%	-13.15%	-7.09%	0.50%
Efficiency Ratio				
Return on Assets Ratio	%	-4.89%	-2.27%	0.17%
Return on Fixed Assets	%	0.03%	4.62%	10.28%
Asset Turnover	time(s)	1.14	1.45	1.15
Financial Policy Ratio				
Debt to Equity Ratio	time(s)	1.72	1.66	2.64
Interest Coverage Ratio	time(s)	(0.24)	(9.29)	40.73
Ability to settle obligations	time(s)	1.35	8.66	(18.52)
Dividend payout ratio	%	0.00%	0.00%	0.00%
EBITDA				
EBITDA	%	0.01%	1.01%	4.60%

5. General information and other important information

5.1 General information

Auditor

EY Office Limited

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

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

Website: <http://www.ey.com>

Securities Registrar

Thailand Securities Depository Co., Ltd.

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

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

SET Contact center: 0 2009-9999

Website: <http://www.set.or.th/th/tsd> E-mail: srg_tsd@set.or.th

5.2 Other Important Information

- None -

5.3 Auditor Disputes

- None -

5.4 Secondary Market

- None -

5.5 Regular contact financial institutions

- None -

(only if the company issues debt instruments)

Part 2 Corporate Governance

6. Corporate Governance Policy

As for the Code of best practices for listed company directors, which is the guideline of the Stock Exchange of Thailand, the Company and its directors Comply with good practices for directors of listed companies as prescribed by the Stock Exchange of Thailand.

6.1 Overview of Corporate Governance Policies and Practices

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

The Board of Directors believes that the consequences of doing so are ethical, transparent, honest, equal, strict responsibility, and competitiveness by treating and coordinating benefits to all stakeholders with fairness. It will strengthen the sustainable growth of the company in the long term. It will strengthen the sustainable growth of the company in the long term.

There are 8 main principles of practice as follows:

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

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

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

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

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

Principle 2 Define Objectives that Promote Sustainable Value Creation

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

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

Principle 3 Strengthen Board Effectiveness

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

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

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

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

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

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

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

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

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

Principle 4 Ensure Effective CEO and People Man Page

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

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

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

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

Principle 5 Nurture Innovation and Responsible Business

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

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

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

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

Principle 6 Strengthen Effective Risk Management and Internal Control

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

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

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

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

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

Principle 7 Ensure Disclosure and Financial Integrity

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

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

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

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

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

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

Principle 8 Ensure Engagement and Communication with Shareholders

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

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

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

6.2 Code of conduct

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

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

1. Ethics on the treatment of stakeholders

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

Stakeholder role

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

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

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

In the past year, the Company held 1 annual general meeting of shareholders where the company gave shareholders an opportunity to propose meeting agendas and nominate qualified persons to be considered for election as a director from 12 October - 31 December 2023, published on the company's website and notified through the SET's news system, in addition to the disclosure of information through various media as required by the Stock Exchange of Thailand. The company has sent a meeting invitation letter with information, date, time, place, and agenda, including supporting information for the meeting and opinions of the Board of Directors on each agenda, a proxy form according to the form of the Department of Business Development. Ministry of Commerce, rules for appointing proxies, registration, voting, maps, including announcements in newspapers and other electronic media above for all shareholders in advance as required by the Company's regulations and relevant laws. The venue of the meeting is outside the company, considering the economy and convenience for the shareholders to attend the meeting, and will update the information supporting the shareholders' meeting to be more detailed.

In the past year, the company There was one general shareholder meeting where the company gave shareholders an opportunity to propose meeting agendas. and nominate qualified persons to be considered for election as a director from 12 October - 31 December 2023, published on the company's website. and notified through the SET's news system.

In the past shareholders' meeting, all the directors who were in the country attended the meeting. The chairman of the meeting will conduct the meeting according to the agenda. and allows shareholders to have equal rights to ask questions, review operations, and express opinions and suggestions fully. In addition, important questions and opinions were also recorded.

Equality of shareholders

All shareholders of the company will be treated equally and fairly, especially their basic rights. The Board of Directors, therefore, has the policy to facilitate all shareholders. The shareholders who are unable to attend the meeting can use the proxy form issued by the Department of Business Development Ministry of Commerce to authorize others to act on their behalf. The company will nominate the name of the independent chairman or chairman of the board as an alternative for the proxy of shareholders, including allowing shareholders to exercise their rights to propose agenda and nominate directors individually, encouraging voting cards are used for important agendas such as connected transactions for transparency and verifiability in case of disputes later including being able to propose additional meeting agendas under the regulatory framework, and legal requirements.

To prevent conflicts of interest The Board of Directors will carefully consider any transactions that may lead to conflicts of interest, adhering to the rules of connected transactions prescribed by the Stock Exchange of Thailand, whereby the prices and conditions are the same as transactions with third parties. In addition, directors and executives who have interests in transactions with the Company are also required to refrain from participating and abstaining from voting in decision-making on such transactions, and details are disclosed in the annual information report (Form 56-1). One report / annual report) as well as overseeing and setting up guidelines for keeping and preventing directors, executives, and related persons from using the Company's inside information for their own benefit or others in a wrongful way which takes advantage of the stakeholders. Holding other shares, the directors and executives regularly report their securities holdings to the Board of Directors.

- 1.2 Treatment of customers*
- 1.3 Treatment of Business Competitors*
- 1.4 Treatment of Creditors and/or business partners*
- 1.5 Employee treatment*
- 1.6 Dealing with Government or Regulatory Agencies*
- 1.7 Treatment of community, society and environment*

2. Ethics on respecting human rights

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

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

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

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

Disclosure and Transparency

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

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

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

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

4. Ethics on the use of insider information and confidentiality

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

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

The company encourages employees to use internet media for their work benefits, employees must not act to disturb other people's computer systems and internet in the company and should use computers and information technology in accordance with the Computer Crimes Act and avoid using the company's computer systems to disseminate information that is morally inappropriate, customary, and customary, laws or acts that cause damage to national security and safety. The company has announced a clear intention to strictly comply with laws related to intellectual property and will not do anything that will intentionally infringe, intellectual property, whether copyright, patent, or trademark.

6. Ethics on Rights and Political Neutrality

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

7. Conflict of Interest Ethics

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

8. Ethics on related transactions

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

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

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

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

10. Ethics on the preservation and use of company assets

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

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

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

11. Workplace Safety and Health Ethics

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

12. Ethics on Anti-Corruption, Whistleblowing and Complaints

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

Anti-Corruption Measures

- 1. *Anti-Corruption Policy*
- 2. *Responsibilities*
- 3. *Guidelines for high-risk activities or channels for corruption*

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

- 3.1 Political Contributions
- 3.2 Charitable donations
- 3.3 Support
- 3.4 Giving, or receiving gifts, tokens, receptions and other benefits

4. *Public relations*

- 1) The Human Resource Management Department organizes an orientation training for new employees regarding anti-corruption measures.
- 2) Dissemination of anti-corruption measures via the Company's website.
- 3) Public relations through Wallpaper, which instead of communicating about anti-corruption measures to ensure the same understanding through the company board.
- 4) Specified in the commercial contract as an annex.

5. *Whistle Blowing Policy and complaints*

Objective

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

Whistle Blowing Scope

- Violation of laws, rules, regulations, regulations of the governing body of the company.
- Violation of rules, regulations, company regulations

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

Whistle-blowing channels complaints and suggestions

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

Consideration and action

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

6. Protection Measures

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

13. Ethics on personal data protection (PRIVACY POLICY)

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

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

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

8. Right to access personal data
9. Penalties
10. Review

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

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

Employee Code of Conduct

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

1. Code of conduct towards the company

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

2. Ethics towards oneself

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

3. Ethics towards supervisors

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

4. Ethics towards subordinates

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

5. Ethics towards colleagues

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

Follow up and supervise to ensure compliance.

1) It is the duty and responsibility of all directors, executives and employees who must acknowledge and understand. Including strictly following the business ethics

2) Determine guidelines for commendation and punishment, such as rewards for good performers, disciplinary punishment for offenders of ethics in order to have serious practice.

3) Provide methods for asking questions and reporting in case of suspected violations of the Code of Conduct or receiving complaints. There may be many options, such as hierarchical supervisors, audit committee, email or through website channels within the company, etc.

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

5) Determine the period for which the business ethics will be reviewed, such as every year or every 2 years to be suitable for the situation. or the business environment that may change

Inquiring or informing information

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

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

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

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

Telephone: 022132514, Factory: 023231684

Fax Office: 022872031, Factory: 023239635

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

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

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

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

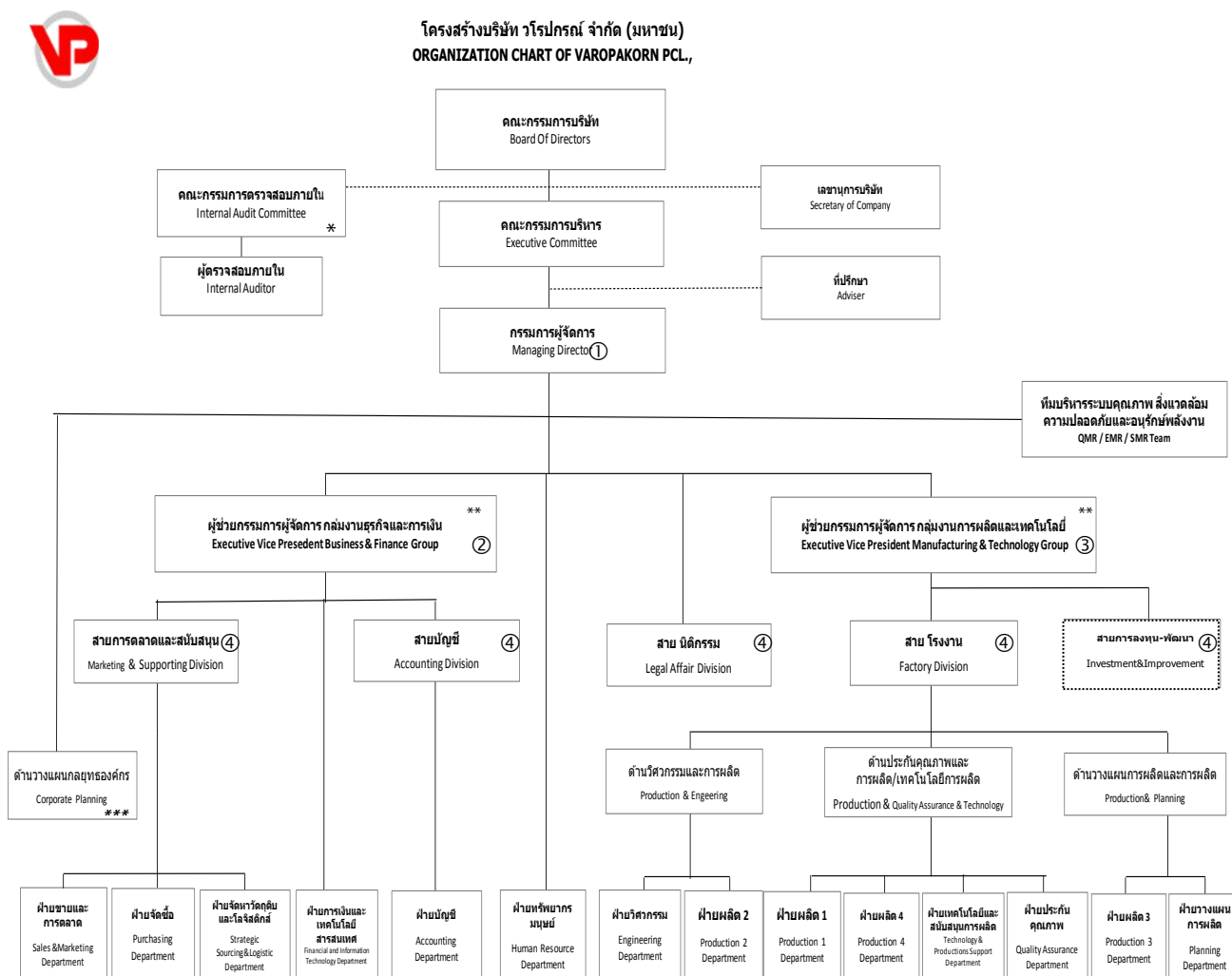
6.3.2 The Company is committed to applying and complying with the principles of good corporate governance for listed companies 2017 (CG Code). To be concrete under the new normal (New Normal), which needs to be considered and reviewed at least once a year.

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

7.1 Management structure

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

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



* Also serves as the Nomination and Remuneration Committee

①②③④ The first four executives

** Appointed in March 2023

*** Appointed in March 2024

7.2 Information regarding the board

Structure of the Board

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

The Board of Directors :

At present, the Company has 11 directors as follows:

No.	Names	Position	Number of Meeting Attendances	Remuneration	
				Reward	Meeting allowance
1. *	Mrs.Sorranee Deephanphongs	Chairman of the Board	4/4	-	40,000
2.	Mr. Chaoyong Deephanphongs	Director / Advisor to the Executive Committee / Former Chief Executive Officer (CEO) ¹	4/4	-	40,000
3.*	Mr.Sahasee Chitanondh	Director / Vice President for Administration and Finance / Advisor to the Executive Committee / Former Managing Director ²	4/4	-	40,000
4.	Mr.Chirawut Chaiyawat	Director	4/4	-	40,000
5.	Mr. Thanomsak Chotikaprakai	Director / Chairman of the Audit Committee	4/4	-	40,000
6.	Mr. Thongkoon Sangthamarat	Director / Member of the Audit Committee	4/4	-	40,000
7.	Admiral Thomrat Hatayodom	Director / Member of the Audit Committee	4/4	-	40,000
8.	Mr. Pitiphong Pisalbhutra	Independent Director	4/4	-	40,000
9.	Flg.Off.Kamolnai Chaixanien	Director	4/4	-	40,000
10.	Mr. Yoshinao Toyada	Director	4/4	-	40,000
11.	Mr. Thanawat Sornjai ³	Director / Managing Director	1/4	-	40,000
12.	Mr. Pramot Hansakul	Secretary of the Board of Directors / Secretary company	4/4	-	-
Total				-	400,000

* Authorized director according to certificate

¹ Mr. Chaoyong Deephanphongs, resigned from the position of Chief Executive Officer and was appointed to the position Advisor to the Executive Committee effective from November 10, 2023 onwards, but will continue to serve as a director of the Company as before.

² Mr. Sahasee Chitanondh, resigned from the position of Managing Director and was appointed to the position Advisor to the Executive Committee effective from November 15, 2023 onwards, but will continue to serve as a director of the Company as before.

³ Mr. Thanawat Sornjai, became a Director in replacement of Mr. Etsuo Yamamura, who resigned, whose term will expire at the 2024 Annual General Meeting of Shareholders effective from 10 November 2023 onwards, and was appointed to the position of Managing Director effective from 15 November 2023 onwards.

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

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

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

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

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

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

Board Responsibilities

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

Roles, duties, and responsibilities of the Board of Directors

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

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

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

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

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

Board meeting

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

In the past year, the Board of Directors held 4 regular meetings with the number of directors attending the meeting forming a quorum every time. (see details in management structure Topics list of Board of Directors In addition, there is also a meeting on the sidelines before the actual meeting (Pre-Board's meeting) every time, including a regular meeting of the Executive Board and executives at least once a month.

Board self-assessment

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

Development of directors and executives

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

7.3 Information about sub-committees

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

Audit Committee: Consists of 3 persons with qualifications, experience, knowledge, and abilities who are independent and suitable for the specific characteristics of the company. Established on November 11, 1999, holding a position for 3 times each time. year and report to the Board of Directors. In the past year, there were a total of 4 audit committee meetings with the number of audit committee members attending as well as the composition, scope of duties, qualifications, and nomination as mentioned in the topic of management structure above.

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

List of Audit Committee

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

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

** annual remuneration 2023 paid in 2024

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

Scope of authority:

- 1) Review the company's financial reporting to be accurate and sufficient.
- 2) Review to ensure that the Company has suitable and effective internal control and internal audit systems, and consider the independence of the internal audit department as well as approve the appointment, transfer, dismiss the head of the internal audit department or any other department responsible for internal auditing.
- 3) Review the Company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, or the laws related to the Company's business.
- 4) Consider, select, nominate an independent person to be the Company's auditor and propose such person's remuneration, as well as attend a meeting with an auditor without the management attending at least once a year
- 5) Consider connected transactions or transactions that may have conflicts of interest to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand and that such transactions are reasonable and for the best interest of the Company.
- 6) Prepare a report on corporate governance of the Audit Committee to be disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee and must contain at least the following information:
 - (a) An opinion on the accuracy, completeness, and credibility of the Company's financial reports
 - (b) An opinion on the sufficiency of the company's internal control system
 - (c) Opinions on the compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, or the laws related to the Company's business.
 - (d) An opinion on the suitability of an auditor
 - (e) An opinion on transactions that may have conflicts of interest
 - (f) The number of Audit Committee meetings and the attendance of such meetings by each member of the Audit Committee;
 - (g) Opinions or overall observations received by the Audit Committee from the performance of duties in accordance with the Charter.
 - (h) Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
- 7) To perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee.

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

ลำดับ	รายชื่อ	ตำแหน่ง
1*	Mrs. Sorraanee Deephanphongs**	Chairman of the Board
2*	Mr. Chaiyong Deephanphongs	Advisor to the Executive Committee / Former Chief Executive Officer (CEO) ¹
3*	Mr. Sahasee Chitanondh **	Advisor to the Executive Committee / Vice President for Administration and Finance / Former Managing Director ²
4*	Mr. Thanawat Sornjai **	Managing Director ³
5*	Ms. Gunyapart Deephanphongs	Executive Vice President Business & Finance Group ⁴ / Vice President Marketing and Support Division
6*	Mr. Toshinobu Yoshigai	Executive Vice President Manufacturing & Technology Group ⁴
7*	Mr. Pramot Hansakul	Vice President Legal Affair / Secretary company
8*	Ms. Wassana Suksayan	Vice President Accounting Division
9*	Mr. Thatawat Chansri	Factory Manager, Factory Line
10	Mr. Prajoub Lerdtai	Assistant Factory Manager, Engineering & Production, Factory Line
11	Mr. Kasem Kusolsirikun	Assistant Factory Manager, Production Planning & Production, Factory line
12	Mr. Rewat Kaoluang	Assistant Factory Manager, Quality Assurance, Production & Production Technology, Factory Line
13	Mr. Ekkasit Kongsakul	Assistant Vice President of Corporate Strategy Planning

14	Ms. Prapa Phisutthithada	Purchasing Manager, Marketing and Support Division
15	Ms. Rasamee Nonsiri	Strategic, Sourcing & Logistic Manager, Marketing and Support Division
16	Mr. Nawaphon Singnil	Engineering Manager, Factory Line
17	Mr. Anat Champanan	Production Manager 2, Factory Lines
18	Mr. Chookiat Khumkaew ⁶	Production Manager 3, Factory Line
19	Ms. Laphatrada Saikham	Human Resources Manager
20	Mrs. Nittaya Phinyo	Accounting Manager, Accounting Division
21	Mr. Surachai Topipatchai ⁴	Sales and Marketing Manager, Marketing and Support Division
22	Mr. Trinnaphat Puengsawat ⁴	Finance Manager
23	Mr. Likhit Uthiya ⁶	Production Manager 1, Factory Line
24	Mr. Atthapol Kaewsuk ⁶	Production Manager 4, Factory Line
25	Ms. Chamiporn Irakom ⁵	Quality Assurance Manager, Factory Line
26	Ms. Matree Nuankratok ⁵	Research and Development Manager, Factory Line
27	Ms. Kamonwan Panrong ⁵	Production Planning Manager, Factory Line

* No. 1 - 9 : the first 4 executives from the Chief Executive Officer / Managing Director ** Authorized director according to certificate

¹ Mr. Chaiyong Deephanphongs, resigned from the position of Chief Executive Officer and was appointed to the position Advisor to the Executive Committee effective from November 10, 2023 onwards.

² Mr. Sahasee Chitanondh, resigned from the position of Managing Director and was appointed to the position Advisor to the Executive Committee effective from November 15, 2023 onwards.

³ Mr. Thanawat Sornjai, was appointed to the position of Managing Director effective from 15 November 2023 onwards.

⁴ Appointed in March 2023 ⁵ Appointed in May 2023 ⁶ Appointed in February – March 2024

No. 2-6, 8 - 27 : Factory Executive Officers

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

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

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

Remuneration for Directors and Executives

(1) Monetary Remuneration (The year 2023)

(a) Total remuneration of all directors (Meeting allowances and gratuities with meeting allowances and all audit committee remuneration) totaling 11, totaling 0.90 million baht (see details in the table in section 7.2).

(b) Total remuneration and the number of executive directors/executives of the company (salaries, bonuses, accommodation) totaling 9 people (only the first 4 top executives (CEO/MD) including Former CEO and MD who have resigned from their positions) see details in the table in topic 7.2) in the amount of 20.55 million baht.

(2) Remuneration other than money

- Executive car

7.5 Information about employees

In 2022, the company has a total of 318 employees and subcontractor employees, divided into 296 males, representing 78% (excluding 2 disabled people) and 65 females, representing 22% (excluding 2 disabled person). There is a total compensation of employees in the amount of 143.60 million baht, consisting of salary, wages, social security, compensation fund, welfare, and bonus money.

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

The company has strengthened and developed the potential of its personnel to have knowledge, skills, abilities, and behaviors that are consistent with the organization's core values and organizational culture for excellence in all aspects. The company realizes that personnel are a valuable resource and an important force in driving the organization. Therefore, we focus on developing personnel to be quality people, responsible to the organization and society, having the ability will help promote the organization's sustainable growth and progress. The company places importance on personnel and therefore has established a policy to focus on developing the potential, skills, knowledge, and ability to work for all employees appropriately and continuously equally as follows.

1. Employee training plan, an annual training plan is established for employees throughout the organization both in work that must be performed according to duty or other work that is relevant to develop knowledge, understanding, and ability to work correctly, safely, and appropriately in each job position. Based on data analysis that surveys employee training needs each year to identify problems that are obstacles to employee performance due to lack of knowledge. Work skills.

2. External training to develop potential, knowledge, and abilities according to the appropriate job description. The company sends employees to attend various training or seminar courses. with external training institutions.

3. Internal training to develop employees' ideas, and potential, and review knowledge and work abilities by requiring executives or employees with knowledge and ability to provide knowledge related to the company's business including those with knowledge in the work who regularly broadcast and organize training within the organization.

4. On-the-job training (OJT) for new employees and employees who are promoted. The company has organized work learning to have knowledge and understanding of the operations of each department to develop employees to be able to work more efficiently. Therefore, there has been training to educate employees in terms of skills and, technical continuously including employees who start a new job with the company, there will be basic knowledge training for employees so that employees can always learn first.

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

- Smart HR Leadership, secret HR professionals who understand bosses and reach employees, employees absent from work, leave, often late, HR, new employee orientation, PAPD training on personal information, internal auditors, Seminar on Aluminum Alloys in Thailand 2023, Decarbonize Now: Innovations and Industrial Insights
- Driving a forklift (Fork lift) correctly and safely. (Theory and practice), crane control, signal giver to crane operator, material retainer Crane operator Panchan type above the head Panchan Kha Sung and Panchan (stationary), checking the condition and use of cranes, theoretical and practical use of cranes, safety in working with hazardous chemicals, storage of hazardous chemicals and emergency response, fire fighting Basic fire extinguishing and fire evacuation drills, work safety, how to manage legally Smart Management for Digital Factory, guidelines for managing various types of waste, activities and 5S assessment in factories, sorting waste types and Proper disposal, answering every design need for machinery and Jig&fixture with Inventor

- Driving a forklift (Fork lift) correctly and safely. (Theory and practice), crane control, signal giver to crane operator, material retainer Crane operator Panchan type above the head Panchan Kha Sung and Panchan (stationary), checking the condition and use of cranes, theoretical and practical use of cranes, safety in working with hazardous chemicals, storage of hazardous chemicals and emergency response, fire fighting Basic fire extinguishing practice and fire evacuation, work safety, how to manage legally SMART MANAGEMENT FOR DIGITAL FACTORY, guidelines for managing various types of waste, activities and 5S assessment in factories, sorting waste types and Proper disposal, answering every design need for machinery and Jig&fixture with Inventor
- Cost Reduction, training on turning lights on and off to reduce costs, operating the IF stove (turning on the stove), increasing/decreasing the speed of the Castor 6 roller, Kaizen, basic knowledge of ISO 9001:2015, use Crack testing solution, using the Diff Pressure meter, resetting the CO2 FM system, opening and closing the Drain valve at the Brower, issuing Tag Finish Goods, hanging and releasing the TPM Tag, entering the Tag TPM information in the QC Code, Checking the Drain pipe of the Inert gas Cooler set, using the Ooid Mist and ooid Jet gas pumps at the CM machine, adjusting and testing the Timer drain valve, working at SH2, training on Caster working timers.
- Melting scraps and steps, opening and closing the Schneider Filter CM2 motor pump breaker and selecting Auto and Manual modes, using a KYOPITSU 8031 3-phase electric sequencer, inspecting the Caster graphite core. 3, Bearing damage analysis, how to add grease to bearings, selection of o-ring cutting size.
- WI how to test water in a factory, how to test moisture, how to test moisture in oil with a moisture meter, how to use Micrometer and Vernier measuring tools, how to use a Spectrometer (XRF), how to test Sall Spray, Use a tape measure for calibration, CAP STOCK oil spray instructions, inspection methods. Pre-coated-fin, Wettability inspection, how to issue certificates for Product Automotive, WI-P document training, operations, Slitter3 blade setting, etc., PD-Q control of inspection tools, control of products not in accordance with Requirements, inspection, testing and display of product status, control of inspection equipment Measuring tools and testing tools, use of Micrometer and Vernier measuring tools, TS-Q oil control rating, measuring device, etc. JB-Q (Job description) KPD waste casing re-cutting TSP aluminum roll coating for FCL OPL-cleaning Cleaning the belt, cleaning the roller behind the Side Trim SH2 machine blade, adjusting the flow of oil for spraying CAP CL machine, tool control. FMP measuring and testing machines, test xrf sample preparation requirements, conditions for using Spectro, how to read water values for Precision Flat Level machines, use of thread repair kits, reading values or setting torque wrenches, training on Grain structure alloy1200• Get to know Pi-Tape and reading values, installing and adjusting the Sprinkler Pipe Cooling Tower angle, maintaining Distance laser Foot Caster, training in battery calibration, calculating KCM values of X-ray, types of the lifting belt, observing the weight of the lifting belt, specifying the Part No. of PF and Auto Fin work, saving the Parameter AC Drive unit rive SR, grinding and polishing the Cap Fm3 roller. Tightening the FCL1 spray pipe union, choosing to adjust the air pressure Tension Pad, supporting the weight of the lifting belt in various ways, training on the steps for using documents to take items out of the factory, writing Coil numbers, marking Coil side lines before PACK, process of receiving finished products into warehouse
- Chip control, use of the furnace operating status and room temperature display system, cleaning of the Side Trim rollers or blades, cleaning of the SH2 machine belt, setting Offset Temp Control Burner CL1, casing inspection. Return and cutting to other sizes, writing slips and identifying scrap casings to wait for disposal/sell of scrap, adjusting Calibration settings, Recorder temperature, checking feed speed Ti speed, Caster Speed and making notes, Stamping RoHS2 , How to Use the Lining Temperature Distribution Program, determining the size of the Y-Anchor, mixing MF58 colors and checking the color, checking the MF58 sheet according to Limit defect QA.
- Issuing Tag Finish Goods, controlling the aluminum melting process, the process of receiving finished goods into the warehouse, controlling the quality of CAST sheets, the process of receiving finished goods into the warehouse, operating to ensure There is a bit of safety in Packing work, checking specifications in FMQ, training on preventive maintenance of machines (Preventive Maintenance) PD-e, entering inspection data for FCL 1 machines, measuring feed speed Ti Speed cast speed, using programs. VPPC, the practice of placing Hold coils and coil packs in designated areas, understanding inspection and claims of raw materials, PACK operations, work preparation and PACK, how to pack Fin stock Export. , Standards for Packing Coil Automotive Fin work, how to pack CAP Stock, packing Trad work, packing foreign coil work.

- Measuring the size of pallets and packing paper, grinding all types of rubber balls. that have axle joints, how to inspect pallets and pallets with solid backs, measuring the size of pallets and packing paper of CAP Stock, specifying Part No. of PF and Auto Fin work, looking at CL warning lights, Mixing Additive Cleaning line, knowledge about reading the temperature warning lamp status, Head Box Caster 1,3,4,5,6, Stamping RoHS, controlling scrap tanks made from Hard Alloy, using boiler systems or A boiler that uses liquid as a medium to conduct heat.
- Business and Human Rights for Listed Companies” and guidelines for self-inspection of business operations with respect for human rights in all aspects. Under the Business and Human Rights Project for Business Sectors in the Thai Capital Market (Phase 2)
- Disclosing information through the SETLink system, Stock Exchange plans. For listed companies in 2023, sustainability reporting (Sustainability Reporting), Circular Economy in Action: Circular Economy for the Business Sector, Cybersecurity under the topic “CYBER VISION 2023 : Measure – Compare – Improve, Improved Capacity and Skills in TCFD Knowledge and Reporting, Comprehending Key Changes for Leaders in a Disrupted World , Grabbing Opportunity to Sustainable Growth Grabbing Opportunity to Sustainable “Opportunity for Sustainable Growth”, Women's Empowerment : Gender Corner microsite, Economic and Business Update Series Upgrading the Digital Payment System for the Business Sector (PromptBiz)
- Guidelines for preparing to support border carbon adjustment measures (CBAM) and laws regarding deforestation-free products. (Deforestation-free products) of the European Union, drafting standards for natural gas sales contracts, workshops on preparing the carbon footprint of organizations (CFOs).
- Organizational risk management practices. Applying enterprise risk management to Environment, Social and Governance (ESG)-related risks (COSO-ERM 2017: Guideline for Applying Enterprise Risk Management (ERM) to Environment, Social and Governance (ESG) - related Risks), Risk Management Integrating with Strategy and Performance: Compendium of Examples), Introduction to Export Document
- Project to survey corporate governance of Thai listed companies for the year 2023 (CGR 2023, Business and Human Rights Project For the business sector in the Thai capital market (Phase 2) “Business and Human Rights Course for Listed Companies”, training to transfer knowledge on the criteria for evaluating and selecting outstanding industries. Circular economy type
- Facilitating the Growth of Thailand’s Carbon Market Seminar, Thai Auto-Parts transformation vs. Future mobility Era, driving investment towards society Linking business to community development, Governance System for Fraud Detection, preventing and dealing with data leaks, technology and the work of listed companies.
- Facilitating government approval considerations 2015: Is it really facilitating? Is it to the people's liking or not?, Roles, duties and responsibilities of owners of pollution sources According to the National Environmental Quality Promotion and Preservation Act of 1992, “Administrative Actions of Pollution Control Officials”
- Investment campaign project in listed companies with ESG on the topic “Impact of Climate Change on the Intensive Tutoring Business to 100% for evaluating the quality of the 2024 Annual General Meeting of Shareholders, AGM Notice / Board Resolution, price mechanism. carbon Greenhouse gas emissions rights trading system Carbon tax system and carbon credit systems (Carbon Pricing Instruments : Emission Trading Scheme, Carbon Tax, and Carbon Crediting Mechanism), complaint management under personal data protection laws, Thailand-Japan SUSTAINABLE BUSINESS FOR CARBON NEUTRALITY ONLINE SEMINAR 2023, COSO-ERM 2017 Enterprise Risk Management

7.6 Other Important Information

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

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

- Ms. Wassana Suksayan, Accounting Director wassana@varo.thai.com
(There is information/details about the person assigned to be directly responsible for supervising the accounting in Attachment 1)

Company secretary

- Mr. Pramote Hansakul, Vice President Legal affairs pramot@varo.thai.com

The Board of Directors has resolved to appoint Mrs. Saranee Deepanpong, a director of the Company, to serve as Company Secretary since August 11, 2008, and retired from duty on March 9, 2020. The Board of Directors has appointed Mr. Pramote Hansakul, Vice President Legal Affairs as Company Secretary since March 9, 2020, instead.

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

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

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

The Board of Directors agrees with the proposal of the Audit Committee to use the services of external agencies (outsourced) is Dharmniti Internal Audit Company Limited from February 26, 2021, onwards.

Head of the compliance department of the company (compliance)

7.6.2 Head of Investor Relations and Contact Information

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

7.6.3 Auditor's remuneration Audit firm where the auditor works

(1) Audit fee paid by the company to Ms. Watoo Kayankannavee, CPA No. 5423 affiliated with EY Office Limited for the fiscal year ended December 31, 2023, totaling 1,400,000 baht

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

8. Report on key corporate governance performance

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

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

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

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

The company did not have a nomination committee at the end of 2007. The Board of Directors resolved to appoint and assign the audit committee to act as the nomination and remuneration committee. In the past year, the committee 2 meeting was held to consider the recruitment, selection, screening of qualified persons according to the Company's Articles of Association to be appointed as directors/managing director and presenting names to the Board of Directors for consideration. appointed as a director The shareholders' meeting, with a majority vote of the number of shares attending the meeting and voting, shall consider approving it. the following method

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

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

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

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

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

- 0 = no action taken on that matter 1 = Little has been done on the subject. 2 = There has been some action on that matter.
3 = Well done on that subject 4 = Excellent action on that subject

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

- 1) *Structure and Qualifications of the Board of Directors*: Considered that the performance is excellent 78% Good 22%
- 2) *Board of Directors' Meetings*: Considered that the operation was excellent 78% Good 22%
- 3) *Roles, duties and responsibilities of the Board of Directors*: I see that the operation is excellent 61% Good 34% Moderate 5%
- 4) *Other matters*: Considered that the performance is excellent 60% Good 35% Moderate 5%

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

- 1) *Structure and Qualifications of the Board of Directors*: Considered that the performance was excellent 80% Good 20%
- 2) *Board of Directors' Meeting*: Considered that the operation was excellent 83% Good 17%
- 3) *Roles, duties and responsibilities of the Board of Directors*: Considered that the performance is excellent 76% Good 24%

Summary: The evaluation of the Board of Directors as a whole in 4 topics showed that the implementation of the committee was quite excellent (excellent 69% Good 28% Moderate 3%).

Summary: The evaluation of the Board of Directors on an individual basis in 3 topics, most of them found that the implementation of the preparation was quite excellent (excellent 80% Good 20%).

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

- 1) *Structure and Qualifications of the Board of Directors*: Considered that the performance is excellent 78% Good 22%
- 2) *Board of Directors' Meetings*: Considered that the operation was excellent 60% Good 33% Moderate 6%
- 3) *Roles, duties and responsibilities of the Board of Directors*: Considered that the operation is excellent 53% Good 28% Moderate 19%
- 4) *Other matters*: Considered that the performance is excellent 33% Good 50% Moderate 17%

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

- 1) *Structure and Qualifications of the Board of Directors*: Considered that the performance was excellent 67% Good 33%
- 2) *Board of Directors' Meeting*: Considered that the operation was excellent 83% Good 17%
- 3) *Roles, duties and responsibilities of the Board of Directors*: Considered that the performance is excellent 60% Good 40%

Summary: The evaluation of the Audit committee as a whole in 4 topics showed that the implementation of the committee was quite excellent (excellent 56.3% Good 22.3% Moderate 10.4%).

Summary: The evaluation of the Audit committee on an individual basis in 3 topics, most of them found that the implementation of the preparation was quite excellent (excellent 70% Good 30%).

8.1.2 Meeting Attendance and Remuneration for individual directors

(Disclosed in Section 7.2 - 7.3)

8.1.3 Supervision of operations of subsidiaries and/or associated companies

The company has no subsidiaries or associated companies.

8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

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

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

(1) Prevention of conflicts of interest

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

(2) Using inside information to seek benefits

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

(3) Anti-corruption

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

In addition, the company has joined in announcing its intention to join the Thai private sector's Collective Action Coalition (CAC), which is a collaboration of 8 leading organizations, including the Thai Institute of Directors Association (IOD), Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers Association, Thai Capital Market Business Council, Federation of Thai Industries, and the Tourism Industry Council of Thailand from November 1, 2021, the company has a period of 18 months to prepare an evaluation form and improve the system to apply for certification with CAC and to receive a certificate of membership in the Thai Private Sector Collective Action Coalition Against Corruption (CAC) from The Thai Private Sector Collective Action Coalition Against Corruption Committee certifies that the company has passed the self-assessment process to have policies and practices, including various measures to prevent corruption within the organization, in accordance with the CAC's criteria, but the company has not yet prepared an evaluation form and improved the system to apply for certification with CAC and to receive the certificate within the specified time. Therefore, it must submit a declaration of intent to join the Thai private sector's Collective Action Coalition against corruption (Collective Action Coalition: CAC) again according to the time frame specified by CAC. However, the company has appointed a working group to arrange self-assessment and improve the system to combat by allowing all departments to participate in expressing their opinions, as well as setting guidelines and anti-corruption measures to be used as guidelines for practice within the company.

The Company has provided channels for complaints or whistleblowing from illegal actions, a code of conduct, an anti-corruption policy, and behavior that may imply corruption or misconduct of individuals in the organization. This includes employees, executives, and stakeholders through the complaint and whistleblowing system other than written notice via e-mail, letter, or comment box. If you see a violation of compliance with rules, or regulations set by law, misconduct in regard to good governance, corrupt acts, or witness unethical acts and anti-corruption policies of the company.

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

(4) Whistleblowing

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

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

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

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

8.3 Summary of performance of other committees

8.3.1 Number of meetings and meeting attendance of individual committees

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

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

9. Internal control and related transactions

9.1 Internal Control

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

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

- **Subject: General control of information technology systems:** In the area of preparation of information technology security policy, information technology security structure management, personnel security management, organization's asset classification, control, access to information technology systems, physical security management, and environment, communication of network operations, information technology security, information technology system development and maintenance, information technology system continuity management plan, compliance with legal requirements (Storage of computer traffic data and prevention of copyright infringement of software according to law)

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

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

However, in order to comply with the company's operating regulations, as well as amend the internal control system to be appropriate, have sufficient performance. In addition, the audit committee discussed with the internal auditors to plan and approve the annual audit plan. The audit result from the overall condition was good, and satisfactory by the audit committee. take a test (It has already been opened in the topic of Attachment 6, Report from the Audit Committee). Therefore, the Board of Directors views that the internal control system as well as the monitoring and supervision of the Company's operations are sufficient and suitable for the current situation. There was no evidence that the Company's executives used the Company's assets illegally or without authority.

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

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

9.1.2 Deficiencies in the internal control system

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

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

- do not have -

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

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

9.1.5 Appointment, dismissal, and Transfer of internal audit supervisors

- do not have -

9.2 Related Transactions

As of December 31, 2023, and 2022)

Unit: million baht

Related Transactions			2023		2022	
Related companies	Item characteristics	Relationship	Value	Balance	Value	Balance
Thai Metal Works Company Limited	The company rented a building with an area of 250 square meters to be used as the location of the company's office. The term of the lease is 1 year ending on December 31, 2020, at the rental rate of 10,000 baht per month and the lessee has the right to extend the contract upon expiration upon written notice, which is in accordance with normal business operations and generally agreed on commercial conditions, but the company is exempt from charging rent due to the COVID-19 situation until a new agreement is reached.	is a major shareholder of the Company holding 48.59 percent of the total number of shares of the Company	-	-	-	-

MALC-Thai Co., Ltd. and Thai-MC Co., Ltd.	DISTRIBUTOR - SALES AND PURCHASE AGREEMENT by appointing MALC-Thai Co., Ltd. as a distributor to distribute aluminum products to Japanese customers under general trading conditions, namely cost plus margin from January 27, 2022, the contract period 1 year and year per year	- MALC-Thai Co., Ltd. is held by MA Aluminum Corporation (formerly Mitsubishi Aluminum Co., Ltd which is the major shareholder of the company holding 13.39 percent of the total number of shares of the company). in the proportion of 49.00 percent and with Sasano Max Thailand holding 51%	833.65	141.66	1,065.93	231.41
Mrs. Nida Chitanondh	The Company rented the land in front of the land area of the Company's factory, a total area of 9rai, for use in the Company's business and as a parking lot. The term of the lease is 1 year, ending on December 31, 2019, at the rental rate of 5,000 baht per month and the lessee has the right to renew the contract upon expiration by notifying in writing which is in accordance with normal business operations and generally agreed with commercial conditions but the company is exempt from charging rent due to the COVID-19 situation until a new agreement is reached.	mother of Mr. Sahasee Chitanondh who is a director and managing director (executive) of the Company. The group of Mrs. Nida Chitanon holds shares representing 3.91 percent of the total shares of the company.	-	-	-	-
Niti Innotech Co., Ltd. (former name Niti Casting Co., Ltd.)	The company hires steel fabricators to produce necessary consumables according to normal business operations and generally agreed terms and conditions compared to market prices.	having common directors with the company are: Mr. Sahasee Chitanon, Lt. Kamolnai Chaixanien and	0.18		1.12	0.05
	has bought aluminum (scrap) that is not used from the Company which is in accordance with normal business operations and general trading conditions comparable to market prices.	Mrs.Sorranee Deephanphongs.	0.10	-	0.11	-
United Construction Materials Company Limited	The company has purchased piles along with driving services for foundations for machines and buildings from the pile manufacturer, which is in accordance with normal business operations and general trade conditions agreed upon, comparable to market prices.	having common directors with the company are: Mrs.Sorranee Deephanphongs, Lt. Kamolnai Chaixanien and Mr. Sahasee Chitanon,	0.21	-	-	-

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

(see financial statements and notes to financial statements)

Part 3

Financial Statements

(Annual financial statements ended 31 December 2023)

REPORT ON THE BOARD'S RESPONSIBILITIES TOWARDS THE FINANCIAL REPORT

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

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

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



(Mrs.Sorranee Deephanphongs)

Chairman of the Board



(Mr.Thanawat Sornjaih)

Managing Director

Independent Auditor's Report

To the Shareholders of Varopakorn Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures

performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Sales

Revenue from sales is considered to be a significant account to the Company's financial statements because the amount recorded directly impact the Company's annual profit and loss. In addition, volatility in the prices of the main raw materials for production and the competition in the rolled and sheet aluminium production industry has directly affected the sales. I therefore focused on the recognition of sales income, particularly on the occurrence of sales and the timing of revenue recognition.

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

Provision for diminution in value of inventory

Estimating the net realisable value of inventory, as disclosed in Note 9 to the financial statements, is an area requiring management judgment. In addition, the Company's inventories mainly consist of semi-finished aluminium products, and the key raw materials for these product is aluminium ingot, of which the price depends on global market prices. There is thus a risk with respect to the amount of the provision set aside for diminution in the value of inventory.

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

Allowances for impairment of machinery and equipment

In determining the provision for impairment of machinery and equipment, management is required to exercise judgement with respect to its projections of future operating performance, plans for management of assets, and determination of key assumptions and related information in identifying the recoverable amount. There is thus a risk related to provision for impairment of machinery and equipment.

I gained an understanding of the management's consideration process related to the impairment assessment of machinery and equipment. I have evaluated the appropriateness of the basis and assumptions applied by management used in preparing the plans and future cash flow projections. I also assessed the discount rate and long-term growth rate by considering comparable information with the Company's internal and external source of information. In addition, I evaluated the assumptions and methods used by the independent appraiser in assessment the fair value of machinery and equipment.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my

opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Wattoo Kayankannavee

Certified Public Accountant (Thailand) No. 5423

EY Office Limited

Bangkok: 28 February 2024

Statement of financial position
As at 31 December 2023

		(Unit: Baht)
	<u>Note</u>	<u>2023</u>
		<u>2022</u>
Assets		
Current assets		
Cash and cash equivalents	7	1,291,614
Trade and other receivables	6, 8	466,201,292
Inventories	9	717,088,746
Other current assets	10	78,526,241
Total current assets		1,263,107,893
Non-current assets		
Restricted bank deposits	24.2	400,000
Property, plant and equipment	11	834,310,949
Intangible assets	12	871,941
Other non-current assets		365,000
Total non-current assets		835,947,890
Total assets		2,099,055,783
		2,336,315,322

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

Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from			
financial institutions	<i>13</i>	219,198,029	225,068,888
Accounts payable - trust receipts	<i>13</i>	701,751,039	733,750,761
Trade and other payables	<i>6,</i> <i>14</i>	228,030,092	272,170,725
Current portion of lease liabilities		926,106	875,444
Current portion of long-term loans	<i>15</i>	25,788,000	33,540,000
Derivatives liabilities	<i>26.1</i>	11,144,346	24,787,426
Other current liabilities		12,830,623	8,942,626
Total current liabilities		1,199,668,235	1,299,135,870
Non-current liabilities			
Lease liabilities, net of current portion		2,721,652	3,647,758
Long-term loans, net of current portion	<i>15</i>	61,600,000	87,388,000
Provision for long-term employee benefits	<i>16</i>	26,981,325	30,127,423
Deferred tax liabilities	<i>20</i>	35,006,128	35,643,667
Other non-current liabilities		1,546,426	1,913,884
Total non-current liabilities		127,855,531	158,720,732
Total liabilities		1,327,523,766	1,457,856,602

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

Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Shareholders' equity			
Share capital			
Registered			
100,000,000 ordinary shares of Baht 5 each		500,000,000	500,000,000
Issued and fully paid			
99,902,123 ordinary shares of Baht 5 each		499,510,615	499,510,615
Share premium		374,400,000	374,400,000
Retained earnings			
Appropriated - statutory reserve	17	50,000,000	50,000,000
Unappropriated (deficits)		(309,169,258)	(202,242,555)
Other component of shareholders' equity	18	156,790,660	156,790,660
Total shareholders' equity		771,532,017	878,458,720
Total liabilities and shareholders' equity		2,099,055,783	2,336,315,322

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

Statement of comprehensive income
For the year ended 31 December 2023

	Note	<u>2023</u>	<u>2022</u>
(Unit: Baht)			
Profit or loss:			
Revenues			
Sales		2,509,760,126	3,754,757,041
Other income			
Gain on exchange		7,144,776	-
Others		7,442,752	8,076,865
Total revenues		2,524,347,654	3,762,833,906
Expenses			
Cost of sales		2,474,575,794	3,658,194,014
Selling and distribution expenses		39,818,366	41,131,608
Administrative expenses		55,179,964	55,017,767
Loss on exchange		-	6,084,172
Loss on derivatives revaluation		11,144,346	24,787,426
Total expenses		2,580,718,470	3,785,214,987
Operating loss		(56,370,816)	(22,381,081)
Finance cost		(53,172,002)	(38,329,553)
Loss before income tax		(109,542,818)	(60,710,634)
Income tax benefit	20	1,033,254	1,917,364
Loss for the year		(108,509,564)	58,793,270)
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods</i>			
Actuarial gain - net of income tax		1,582,861	-
Changes in surplus on revaluation of assets - net of income tax		-	156,790,660
Total other comprehensive income not to be reclassified			
to profit or loss in subsequent periods		1,582,861	156,790,660
Other comprehensive income for the year		1,582,861	156,790,660
Total comprehensive income for the year		(106,926,703)	97,997,390
Basic earnings per share			
	22		
Loss for the year		(1.09)	(0.59)

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

Statement of changes in shareholders' equity
For the year ended 31 December 2023

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Other component of shareholders' equity Other comprehensive income Surplus on revaluation of assets	Total
			Appropriated - statutory reserve	Unappropriated (deficits)		
Balance as at 1 January 2022	499,510,615	374,400,000	50,000,000	(143,449,285)	-	780,461,330
Loss for the year	-	-	-	58,793,270)	-	
Other comprehensive income for the year (Note 18)	-	-	-	-	156,790,660	156,790,660
Total comprehensive income for the year	-	-	-	(58,793,270)	156,790,660	97,997,390
Balance as at 31 December 2022	499,510,615	374,400,000	50,000,000	(202,242,555)	156,790,660	878,458,720
						-
Balance as at 1 January 2023	499,510,615	374,400,000	50,000,000	(202,242,555)	156,790,660	878,458,720
Loss for the year	-	-	-	(108,509,564)	-	(108,509,564)
Other comprehensive income for the year	-	-	-	1,582,861	-	1,582,861
Total comprehensive income for the year	-	-	-	(106,926,703)	-	(106,926,703)
Balance as at 31 December 2023	499,510,615	374,400,000	50,000,000	(309,169,258)	156,790,660	771,532,017
						-

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

Cash flow statement
For the year ended 31 December 2023

	(Unit: Baht)	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Loss before tax	(109,542,818)	(60,710,634)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	108,761,102	96,701,596
Reduction of inventory cost to net realisable value (Reversal)	8,812,772	(2,842,052)
Loss (gain) on disposal of machinery and equipment	842,992	(467,365)
Unrealised exchange gain	(7,690)	(16,290,493)
Loss on derivatives revaluation	11,144,346	24,787,426
Income from government grants	(367,458)	(367,459)
Finance cost	53,172,002	38,329,553
Provision for long-term employee benefits	2,335,050	2,881,515
Profit from operating activities before changes in operating assets and liabilities	75,150,298	82,022,087
Operating assets (increase) decrease		
Trade and other receivables	29,672,167	35,334
Inventories	93,798,378	576,871,463
Other current assets	(11,632,738)	104,212,414
Other non-current assets	144,500	340,000
Operating liabilities decrease		
Trade and other payables	(45,333,737)	(211,675,700)
Other current liabilities	(20,939,598)	(118,219,524)
Cash paid for employee benefits	(3,502,571)	(2,832,044)
Cash flows from operating activities	117,356,699	430,754,030
Cash paid for interest expenses	(52,467,491)	(38,198,286)
Net cash flows from operating activities	64,889,208	392,555,744

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

Cash flow statement (continued)
For the year ended 31 December 2023

	(Unit: Baht)	
	<u>2023</u>	<u>2022</u>
Cash flows from investing activities		
Increase in restricted bank deposits	-	-400,000
Acquisition of machinery and equipment	(47,719,342)	(44,845,005)
Acquisition of intangible assets	(277,200)	(459,750)
Proceeds from sales of machinery and equipment	357,785	542,776
Net cash flows used in investing activities	(47,638,757)	(45,161,979)
Cash flows from financing activities		
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(5,870,859)	134,343,578
Decrease in accounts payable - trust receipts	(20,534,801)	(413,147,966)
Payment of lease liabilities	(875,444)	(316,798)
Repayment of long-term loans	(33,540,000)	(33,540,000)
Net cash flows used in financing activities	(60,821,104)	312,661,186)
Net increase (decrease) in cash and cash equivalents	(43,570,653)	34,732,579
Cash and cash equivalents at beginning of year	44,862,267	10,129,688
Cash and cash equivalents at end of year	1,291,614	44,862,267
	-	-
Supplemental cash flows information		
Non-cash items		
Acquisitions of asset under lease agreement	-	4,840,000

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

Notes to financial statements**For the year ended 31 December 2023****1. General information**

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

2. Basis of preparation

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

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

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

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

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Sale 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 and allowances.

Government grants

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

Finance cost

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

4.2 Cash and cash equivalents

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

4.3 Inventories

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

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

4.4 Property, plant and equipment / Depreciation

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

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

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

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

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

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

Depreciation is included in determining income. No depreciation is provided on construction in progress and machinery under installation.

Depreciation is included in determining income.

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

4.5 Borrowing costs

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

4.6 Intangible assets

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

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

The intangible assets with finite useful lives are listed below.

License	10	years
Computer software	10	years

4.7 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.

4.8 Leases

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

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Machinery and equipment	5	years
Motor vehicles	5	years

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

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

4.9 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.10 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

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

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

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

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

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

4.12 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.

4.13 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.

4.14 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Classification and measurement of financial liabilities

At initial recognition, the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

4.15 Derivatives

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

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Net realisable value of inventories

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

Property, plant and equipment/Depreciation

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

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

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

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating

unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment.

Deferred tax assets

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

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

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

Fair value of financial instruments

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

6. Related party transactions

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

	<u>2023</u>	<u>2022</u>	(Unit: Million Baht) <u>Pricing policy</u>
<u>Transactions with related companies</u>			
Sales of goods	834	1,066	Cost plus margin
Purchases of raw material and supplies	-	1	At an agreed price

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

The balances of the accounts as at 31 December 2023 and 2022 between the Company and those related parties are as follows:

	<u>2023</u>	<u>2022</u>
(Unit: Thousand Baht)		
Trade and other receivables - related parties (Note 8)		
Related companies (related by shareholders)	141,660	231,414
Total trade and other receivables - related parties	<u>141,660</u>	<u>231,414</u>
Trade and other payables - related parties (Note 14)		
Related companies (related by shareholders and directors)	-	50
Total trade and other payables - related parties	<u>-</u>	<u>50</u>

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses of its directors and management as below.

	<u>2023</u>	<u>2022</u>
(Unit: Million Baht)		
Short-term employee benefits	11.1	10.8
Post-employment benefits	0.6	0.2
Total	<u>11.7</u>	<u>11.0</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Cash	65	244
Bank deposits	1,227	44,618
Total	<u>1,292</u>	<u>44,862</u>

As at 31 December 2023, bank deposits in saving accounts carried interests at 0.30 percent per annum (2022: 0.25 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	96,403	153,052
Past due		
Up to 3 months	45,257	78,362
Total trade receivables - related parties	<u>141,660</u>	<u>231,414</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	221,758	200,639
Past due		
Up to 3 months	102,764	71,992
3 - 6 months	-	2,784
6 - 12 months	6	-
Over 12 months	1,437	1,437
Total	<u>325,965</u>	<u>276,852</u>
Less: Allowance for expected credit losses	(1,437)	(1,437)
Total trade receivables - unrelated parties, net	<u>324,528</u>	<u>275,415</u>
Total trade receivables - net	<u>466,188</u>	<u>506,829</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	13	13
Total other receivables	<u>13</u>	<u>13</u>
Total trade and other receivables - net	<u>466,201</u>	<u>506,842</u>

The normal credit term is 30 to 60 days.

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	177,711	157,266	(6,334)	(720)	171,377	156,546
Work in process	299,318	373,156	(5,262)	(1,166)	294,056	371,990
Raw materials	67,192	48,849	-	(897)	67,192	47,952
Spare parts and factory supplies	109,462	107,063	(14,658)	(14,658)	94,804	92,405
Goods in transit	89,660	150,807	-	-	89,660	150,807
Total	743,343	837,141	(26,254)	(17,441)	717,089	819,700

During the current year, the Company reduced cost of inventories by Baht 8.8 million, to reflect the net realisable value. This was included in cost of sales (2022: reversed the write-down of cost of inventories by Baht 2.8 million, and reduced the amount of inventories recognised as expenses during the year).

10. Other current assets

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Input tax refundable	65,965	50,795
Deposit payment for goods	6,040	7,961
Others	6,521	8,097
Total other current assets	78,526	66,853

11. Property, plant and equipment

(Unit: Thousand Baht)

	Revaluation basis		Cost basis					Construction in progress and machinery under installation	Total
	Land	Factory buildings	Machinery and factory equipment	Furniture and office equipment	Motor vehicles	Right-of-use assets			
Cost / Revalued amount:									
1 January 2022	40,312	164,244	2,534,466	23,037	18,683	-	176,824	2,957,566	
Additions	-	-	13,093	603	-	5,320	30,669	49,685	
Transfers	-	4,707	177,517	-	-	-	(182,224)	-	
Disposal / Write off	-	-	(59,041)	(1,104)	(2,604)	-	-	(62,749)	
Revaluations	195,988	-	-	-	-	-	-	195,988	
31 December 2022	236,300	168,951	2,666,035	22,536	16,079	5,320	25,269	3,140,490	
Additions	-	-	5,964	903	-	-	40,852	47,719	
Transfers	-	4,493	26,870	-	-	-	(31,363)	-	
Disposal / Write off	-	-	(5,994)	(649)	(6,840)	-	-	(13,483)	
31 December 2023	236,300	173,444	2,692,875	22,790	9,239	5,320	34,758	3,174,726	
Accumulated depreciation:									
1 January 2022	-	133,606	2,039,686	19,987	18,128	-	-	2,211,407	
Depreciation for the year	-	4,295	89,796	1,507	152	82	-	95,832	
Depreciation for disposal / write off	-	-	(58,966)	(1,104)	(2,604)	-	-	(62,674)	
31 December 2022	-	137,901	2,070,516	20,390	15,676	82	-	2,244,565	
Depreciation for the year	-	4,630	101,840	1,140	135	388	-	108,133	
Depreciation for disposal / write off	-	-	(4,794)	(649)	(6,840)	-	-	(12,283)	
31 December 2023	-	142,531	2,167,562	20,881	8,971	470	-	2,340,415	
Net book value:									
As at 31 December 2022	236,300	31,050	595,519	2,146	403	5,238	25,269	895,925	
As at 31 December 2023	236,300	30,913	525,313	1,909	268	4,850	34,758	834,311	
Depreciation for the year									
2022 (Baht 94 million included in manufacturing cost, and the balance in selling and administrative expenses)								95,832	
2023 (Baht 107 million included in manufacturing cost, and the balance in selling and administrative expenses)								108,133	

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

Key assumptions used in the valuation are summarised below:

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

Had the land been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2023 and 2022 would have been as follows:

		(Unit: Thousand Baht)	
		<u>2023</u>	<u>2022</u>
Land		40,312	40,312

As at 31 December 2023, certain items of building, machinery and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,046 million (2022: Baht 1,037 million).

The Company has mortgaged land with structures thereon and part of its machinery, with a total net book value as at 31 December 2023 amounting to approximately Baht 573 million (2022: Baht 629 million) to secure short-term loans, long-term loans and credit facilities from financial institutions.

12. Intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 is presented below.

			(Unit: Thousand Baht)	
		License	Computer software	Total
		<hr/>	<hr/>	<hr/>
As at 31 December 2023				
Cost		7,735	6,354	14,089
Less: Accumulated amortisation		(7,735)	(5,482)	(13,217)
Net book value		<hr/> <u>-</u>	<hr/> <u>872</u>	<hr/> <u>872</u>
As at 31 December 2022				
Cost		7,735	6,077	13,812
Less: Accumulated amortisation		(7,514)	(5,075)	(12,589)
Net book value		<hr/> <u>221</u>	<hr/> <u>1,002</u>	<hr/> <u>1,223</u>

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 is presented below.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	1,223	1,633
Acquisition of computer software	277	460
Amortisation	(628)	(870)
Net book value at end of year	<u>872</u>	<u>1,223</u>

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

		(Unit: Thousand Baht)	
	Interest rate (percent per annum)	<u>2023</u>	<u>2022</u>
<u>Bank overdrafts and short-term loans from financial institutions</u>			
Bank overdrafts	MOR	29,198	35,069
Promissory note	3.7 - 5.5	190,000	190,000
Total		<u>219,198</u>	<u>225,069</u>
<u>Accounts payable - trust receipts</u>			
Accounts payable - trust receipts	LIBOR/SIBOR plus a fixed rate	<u>701,751</u>	<u>733,751</u>

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

14. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Trade payables - unrelated parties	170,197	220,288
Other payables - related parties	-	50
Other payables - unrelated parties	8,637	9,265
Other payables for purchase of machinery	10,517	10,569
Accrued expenses	38,679	31,999
Total trade and other payables	<u>228,030</u>	<u>272,171</u>

15. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (percent per	Repayment schedule	2023	2022
	annum)			
1	MLR - 2.25%	Monthly installments of Baht 0.7 million commencing from February 2019 within 72 months	588	8,928
2	3M THBFIX + 1.85%	Monthly installments of Baht 2.1 million commencing from July 2020 within 84 months	86,800	112,000
Total			87,388	120,928
Less: Current portion			(25,788)	(33,540)
Long-term loans, net of current portion			61,600	87,388

Movements in the long-term loans account during the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	2023	2022
Beginning balance	120,928	154,468
Repayments	(33,540)	(33,540)
Ending balance	87,388	120,928

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

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

As at 31 December 2023 and 2022, the Company could not maintain certain financial ratios as required in such loan agreements. However, the Company has already received the waive letter for the covenants from the bank, hence; there is no reclassification of the outstanding balance of such long-term loans as at 31 December 2023 and 2022.

16. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Provision for long-term employee benefits at beginning of year	30,127	30,078
Included in profit or loss:		
Current service cost	2,262	2,712
Interest cost	73	169
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	131	-
Financial assumptions changes	(1,371)	-
Experience adjustments	(739)	-
Benefits paid during the year	<u>(3,502)</u>	<u>(2,832)</u>
Provision for long-term employee benefits at end of year	<u><u>26,981</u></u>	<u><u>30,127</u></u>

The Company expects to pay Baht 3 million of long-term employee benefits during the next year (2022: Baht 2 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 6 years (2022: 4 years).

Significant actuarial assumptions are summarized below:

	<u>2023</u>	<u>2022</u>
	(% per annum)	(% per annum)
Discount rate	2.53	0.56
Salary increase rate	3.00	3.00
Turnover rate	0.00 – 51.00	0.00 – 50.00

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

(Unit: Million Baht)

	<u>2023</u>		<u>2022</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1)	1	(1)	1
Salary increase rate	1	(1)	1	(1)
Turnover rate	(1)	1	(1)	1

17. Statutory reserve

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

18. Surplus on revaluation of assets

This represents surplus arising from revaluation of land.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	156,791	-
Revaluation	-	156,791
Balance at end of year	<u>156,791</u>	<u>156,791</u>

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

19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Salary and wages and other employee benefits	142,420	143,797
Depreciation	108,133	95,832
Amortisation expenses	628	870
Repairs and maintenance expenses	49,681	50,087
Electricity and fuel	272,516	284,891
Raw materials and consumables used	1,875,015	3,121,646
Changes in inventories of finished goods and work in process	53,394	(3,404)

20. Income tax

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

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,033)	(1,917)
Income tax benefit reported in profit or loss	<u>(1,033)</u>	<u>(1,917)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Deferred tax on actuarial gains	396	-
Deferred tax on gain from revaluation of land	-	39,197
Total	<u>396</u>	<u>39,197</u>

The reconciliation between accounting loss and income tax benefit is shown below.

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Accounting loss before tax	<u>(109,543)</u>	<u>(60,711)</u>
Applicable tax rate	20%	20%
Accounting loss before tax multiplied by income tax rate	(21,910)	(12,142)
Tax losses unrecognised during the year	19,958	5,343
Effects of:		
Non-deductible expenses	915	4,615
Additional expense deductions allowed	(98)	(18)
Others	102	285
Total	<u>919</u>	<u>4,882</u>
Income tax benefit reported in profit or loss	<u>(1,033)</u>	<u>(1,917)</u>

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

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Deferred tax assets		
Allowance for expected credit losses	287	287
Allowance for diminution in value of inventories	2,932	2,932
Deferred Income from government	309	383
Provision for long-term employee benefits	5,396	6,025
Total	<u>8,924</u>	<u>9,627</u>
Deferred tax liabilities		
Derivatives assets	-	8
Accumulated depreciation - machinery	4,676	5,922
Lease liabilities	57	143
Surplus from revaluation of land	39,197	39,197
Total	<u>43,930</u>	<u>45,270</u>
Deferred tax liabilities - net	<u>(35,006)</u>	<u>(35,643)</u>

As at 31 December 2023 the Company has unused tax losses totaling Baht 397 million (2022: Baht 297 million), on which deferred tax assets have not been recognised as the Company believes that future taxable profits may not be sufficient to allow utilisation of unused tax losses. The unused tax losses will expire within 2028.

21. Promotional privileges

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

22. Basic earnings per share

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

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

	<u>2023</u>	<u>2022</u>
Loss for the year (Thousand Baht)	108,510	58,793
Weighted average number of ordinary shares (shares)	99,902,123	99,902,123
Loss per share (Baht per share)	1.09	0.59

23. Segment information

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

The Company is principally engaged in the manufacture and distribution of semi-finished aluminium products. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating loss and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

Geographic information

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

	(Unit: Million Baht)	
	<u>2023</u>	<u>2022</u>
Revenue from external customers		
Thailand	1,125	1,452
Asia	1,143	1,097
Oceania	46	89
America	118	1,045
Europe	78	72
Total	<u>2,510</u>	<u>3,755</u>

Major customers

For the year 2023, the Company has revenue derived from 2 major customers in amount of Baht 833 million and Baht 354 million (2022: revenue derived from 2 major customers in amount of Baht 1,066 million and Baht 1,017 million).

24. Commitments and contingent liabilities
24.1 Capital and purchase of raw material commitments

As at 31 December 2023, the Company had capital commitments relating to the purchases of machinery, equipment and computer software and purchase of raw material commitments of approximately USD 11 million, Yuan 2 million and Baht 27 million. (2022: USD 6.1 million).

24.2 Guarantees

As at 31 December 2023, there were outstanding bank guarantees issued by the banks on behalf of the Company of approximately Baht 14.7 million to guarantee electricity use (2022: Baht 10.2 million to guarantee electricity use and Baht 18.4 million to guarantee tax refund that received before the completion of tax examination).

As at 31 December 2023, the Company has pledged bank deposits amounting to Baht 0.4 million (2022: Baht 0.4 million) as collateral to secure bank guarantees.

25. Fair value hierarchy

As at 31 December 2023 and 2022, the Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

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

(Unit: Thousand Baht)

	2022			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value				
Derivatives				
Commodity swap agreements	-	40	-	40
Land	-	-	236,300	236,300
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	24,827	-	24,827

26. Financial instruments

26.1 Derivatives

(Unit: Thousand Baht)

	2023	2022
Derivative assets (liabilities)		
Derivatives assets (liabilities) not designated as hedging instruments		
Commodity swap agreements	(866)	40
Foreign exchange forward contracts	(10,278)	(24,827)
Total derivative liabilities	(11,144)	(24,787)

Derivatives not designated as hedging instruments

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

26.2 Financial risk management objectives and policies

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

Credit risk

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

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and sales to some overseas customers are required to pay a partial advance payment. Additionally, the Company assesses the credit ratings of all new overseas customers through financial institution.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

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

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

Market risk

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

Foreign currency risk

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

As at 31 December 2023 and 2022, The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<i>US dollar</i>	8	6	15	20	34.2233	34.5624

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

As at 31 December	Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
		(Million)	(Baht per 1 foreign currency unit)	
2023	<i>US dollar</i>	7	34.0800 - 36.2856	April 2024 - June 2024
2022	<i>US dollar</i>	13	34.0200 - 37.7200	January 2023 - July 2023

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's loss before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Company's loss before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022. The Company's exposure to foreign currency changes for other currencies is not material.

Currency	2023		2022	
	Increase/Decrease	Loss before tax (increase) decrease	Increase/Decrease	Loss before tax (increase) decrease
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+1	84	+1	(413)
	-1	(84)	-1	413

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

Interest rate risk

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

The details of bank overdrafts and short-term loans from financial institutions / accounts payable - trust receipts and long-term loans from financial institutions as at 31 December 2023 and 2022 are set out in Note 13 and 15 to the financial statements, respectively.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's loss before tax to a reasonably possible change in interest rates on that portion of floating rate bank overdrafts, accounts payable - trust receipts and long-term loans from financial institutions affected as at 31 December 2023 and 2022.

Currency	2023		2022	
	Increase/Decrease	Loss before tax (increase) decrease	Increase/Decrease	Loss before tax (increase) decrease
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+1	(3,964)	+1	(3,277)
	-1	3,964	-1	3,277
US Dollar	+1	(3,920)	+1	(5,267)
	-1	3,920	-1	5,267

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

Commodity price risk

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

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

	Commodity swap agreements	Quantity (Tons)	Maturity
31 December 2023	Floating price to fixed price swap	600	January 2024 - February 2024
31 December 2022	Floating price to fixed price swap	200	January 2023

Liquidity risk

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

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	2023			Total
	On demand	Less than 1 year	1 to 5 years	
Non-derivatives				
Bank overdraft	29,198	-	-	29,198
Short-term loans from financial institutions	-	190,584	-	190,584
Account payable - trust receipts	-	708,784	-	708,784
Trade and other payables	-	228,030	-	228,030
Long-term loans	-	29,362	67,050	96,412
Total non-derivatives	29,198	1,156,760	67,050	1,253,008
Derivatives				
Derivative liabilities: net settled	-	11,144	-	11,144
Total derivatives	-	11,144	-	11,144

(Unit: Thousand Baht)

	2022			Total
	On demand	Less than 1 year	1 to 5 years	
Non-derivatives				
Bank overdraft	35,069	-	-	35,069
Short-term loans from financial institutions	-	191,686	-	191,686
Account payable - trust receipts	-	771,144	-	771,144
Trade and other payables	-	272,171	-	272,171
Long-term loans	-	36,072	90,979	127,051
Total non-derivatives	35,069	1,271,073	90,979	1,397,121
Derivatives				
Derivative liabilities: net settled	-	24,827	-	24,827
Total derivatives	-	24,827	-	24,827

26.3 Fair values of financial instruments

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

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

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

27. Capital management

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

As at 31 December 2023, the Company's debt-to-equity ratio was 1.72:1 (2022: 1.66:1).

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2024.

Part 4

**Data Authentication for 56-1 One Report Transmissions
of a non-listed company**

To certify the accuracy of the information in the annual registration statement/annual report, the authorized director shall sign to bind the company, sign and affix the company seal (if any) in the annual registration statement/annual report and authorize any person to sign the document in the annual registration statement instead by using the text and format as follows:

“The Company has reviewed the information in this annual registration statement/annual report with caution. The company certifies that such information is correct, complete, not false, and does not mislead others or lack information that should be notified in material matters.

(1) Financial statements and financial information summarized in the annual registration statement/annual report contains accurate and complete information on material aspects of the financial position, performance, and cash flows of the Company.

(2) The company has established a good information disclosure system to ensure that the company discloses information in the important parts of both the Company is completely correct and complete including supervision have to follow the said system.

(3) The Company has established a good internal control system and supervises to ensure compliance with such system and the Company has informed the internal control system assessment information as of the latest available date. to the auditor and the Company's Audit Committee which covers major system bugs and changes in internal control including wrongful acts that may affect the preparation of the Company's financial reports.

In this regard, as evidence that all documents are the same set of documents that the Company has been verified. The company has assigned Mr. Thanawat Sornjai to sign this document on every page. If any document does not have the signature of Mr. Thanawat Sornjai, the company will consider it not the information that the company has certified for the accuracy of the above information.

Name	Position	Signature *
1. Mrs. Sorraanee Deephanphongs	Chairman of the Board
2. Mr. Thanawat Sornjai	Managing Director

Name	Position	Signature
Attorney	Mr. Thanawat Sornjai	Managing Director

In this regard, Section 89/20 *** of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551 stipulates that directors and executives must jointly be liable to persons who trade in the Company's securities for any damages arising from disclosure of information to shareholders or the general public by expressing materially false statements or concealing facts that should have been disclosed in material respects in the case of financial statements and reports on the Company's financial position and results of operations or any other reports which must be disclosed in accordance with Section 56 without limiting the liability to directors and executives who have signed to certify the accuracy of the information in such documents only. However, directors or executives who can prove that by their position may not know the truthfulness of the information or the lack of information that should be reported, shall not be liable under Section 89/20.

Note *** Applies to companies that are subject to 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 only.

Attachment 1

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

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

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

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

Name-surname / position			Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years	
							Period	Position in Varopakorn Plc.
1*	Mrs. Sorraanee Deephanphongs	Chairman of the Board	70	-Diploma Bonmouth College of technology, England -Corporate Secretary Development Course, Class 15 training, Thai Listed Companies Association - Director Accreditation Program (DAP) Class 81/2009 training, Thai Institute of Directors Association (IOD)	** 4.59	Wife of the Former Chief Executive Officer	2000-2008 2008-2020 2020-Present	Board Secretary Director / Company Secretary Chairman / Authorized Director
2	Mr. Chaiyong Deephanphongs	-Director -Former Chief Executive Officer - Advisor ¹	76	-Master's degree in Electrical Engineering, I.I.T. Chicago, USA -Director Accreditation Program (DAP) Model 184/2021, Thai Institute of Directors Association (IOD)	** 4.59	Chairman's husband	1996-1997 1997-2002 2002-2015 2015-2020 2020-2023	Factory Manager / Production Manager Factory Manager Director of Operations Vice Chief Executive Officer Chief Executive Officer
3*	Mr. Sahasee Chitanondh	-Director -Former Managing Director ² -Advisor ¹ -Person assigned to the highest responsibility in accounting and finance	60	-Master's degree MBA Eastern, Michigan University -Bachelor's degree in Economics and Business Administration, Kasetsart University - Director Certification Program (DCP) Year 2003 training, Thai Institute of Directors Association (IOD)	1.09	Cousin of the Chairman	1996-Present 1998-2000 2001-Present 2008-2023 2008-Present 2023- Present	Director Executive Vice President Executive and Finance Director Managing Director Authorized Director Advisor
4*	Mr. Thanawat Sornjai	-Director / Managing Director ³	58	- MBA, International Business Management (AIT) - Bachelor of Engineering, Metallurgy, Chulalongkorn University - Corporate Management Development Program (CMDP) Montréal Canada. - Director Accreditation Program - DAP 214/2024 (Thai Institute of Directors Association: Thai IOD)	-	-	2023-ปัจจุบัน	Director / Managing Director /Authorized Director

Name-surname / position		Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years		
						Period	Position in Varopakorn Plc.	
5	Mr. Thanomsak Chotikaprakai	Director / Chairman of the Audit Committee	61	-MBA, Eastern Michigan University, Ypsilanti, Michigan, U.S.A. - B.Eng. (Electrical Engineering), Chulalongkorn University -Director Certification Program (DCP 90), Thai Institute of Directors Association (IOD)	-	-	2021-Present	Director / Chairman of the Audit Committee
6	Thongkun Sangthamarat	Director / Member of the Audit Committee	45	-Bachelor Degree in Business Administration (Major Accounting), Honored, Srinakharinwirot University -Master Degree in Master of Science (Major Accounting), Thammasat University	-	-	2022-Present	Director / Member of the Audit Committee
7	Admiral Thomrat Hatayodom	Director / Member of the Audit Committee	76	-Suffolk University, Boston, MA Master's degree in Public Administration -Director Accreditation Program (DAP) 184/2021, Thai Institute of Directors Association (IOD)	-	-	2021-Present	Director / Member of the Audit Committee
8	Mr. Pitiphong Bisalputra	Independent Director	59	-Master of Business Administration, University of Hartford, USA -Successful Formulation & Execution of Strategy (SFE 3/2009) -Director Certification Program (DCP 5/2003), Thai Institute of Directors Association (IOD) -Advanced Security Management 2011 -Diploma, National Defence College, The National Defence Course Class (NDC.57), The Association of National Defence College of Thailand Under The Royal Patronage of His Majesty The King -Senior Management Development, Royal Thai Police 2020	0.01	-	2019-Present	Director / Independent Director
9	Mr. Chirawat Chaiyawat	Director	67	-Master of Engineering Management (Engineering Management) -Bachelor of Engineering mechanical branch (Mechanical Engineering) Rensselaer Polytechnic Institute (RPI), NY, USA.	0.89	Cousin of the Chairman	2015-Present	Director
10	Flg.Off.Kamolnai Chaixanien	Director	67	-Master of MBA, Cornell University -Bachelor's degree in chemical engineering University of New Hampshire -Director Certification Program (DCP, -Director Accreditation Program (DAP) 2003, Thai Institute of Directors Association (IOD)	0.54	Cousin of the Chairman	1996-Present	Director

Name-surname / position		Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years		
						Period	Position in Varopakorn Plc.	
11	Mr Yoshinao Toyoda	Director	59	-Keio University, Faculty of Business & Commerce	-	-	2020-Present	Director
12	Miss Gunyapart Deephanphongs	- Assistant Managing Director Business and Finance Group ⁴ / - Vice President Marketing and Supporting, Marketing and Supporting Division	42	-Bachelor of Engineering (Electrical) Chulalongkorn University -Master of Science in Industrial Engineering, University of Pittsburgh /	0.27	Daughter of Chairman	2015-2017 2018-2020 2020 2020-Present 2023-Present	Senior Engineer Assistant Vice President Engineering Affairs, Assistant Vice President Marketing&Supporting Vice President of Marketing&Supporting - Assistant Managing Director Business and Finance Group
13	Mr.Toshinobu Yoshigai	-Assistant Managing Director Production and Technology Group ⁴ /Senior Executive Advisor	63	Bachelor of Industrial Engineering, University of Hyogo (Himeji Institute of Technology)	-	-	2023-Present	-Assistant Managing Director Production and Technology / Senior Executive Advisor
14	Mr. Pramot Hansakul	-Vice President Legal Affairs, Legal Division -Company secretary	66	-Bachelor's degree in Law, Ramkhamhaeng University	-	-	1994-2002 2002-2007 2007-Present 2020-Present	Legal Officer Deputy Vice President Legal Affairs Vice President Legal Affairs Company secretary
15	Miss Wassana Suksayan	-Vice President Accounting Affairs, Accounting Division -Persons assigned to be directly responsible for the supervision accounting	54	-Master's degree in business administration -Bachelor's degree in accounting, Ramkhamhaeng University	-	-	2011-2017 2018-Present	Accounting Manager Vice President Accounting
16	Mr. Thatawat Charoensri	Factory Manager, Factory Division	60	-Bachelor of Science in Industrial Education -Mechanical Engineering, King Mongkut's Institute of Technology Thonburi -M.B.A. B.Sc.in Ind Ed. (Mechanical Engineering), King Mongkut's Institute of Technology Thonburi	-	-	2001-2005 2020-Present	Production Manager Factory Manager
17	Mr. Prajoub Lerdtai	Assistant Factory Manager Engineering and production, factory line	57	-Bachelor of Engineering mechanical branch, King Mongkut's University of Technology North Bangkok	-	-	2001-2003 2003-2016 2016-2020 2020-Present	Assistant Manager, Production Technical Engineering Manager Engineering Advisor Assistant Factory Manager, Engineering and production

Name-surname / position		Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years		
						Period	Position in Varopakorn Plc.	
18	Mr. Kasem Kusolsirikrun	Assistant Factory Manager for planning, quality and production technology, factory line	48	-Bachelor of Industrial Science Electronics and Computer Branch, King Mongkut's Institute of Technology Ladkrabang	-	-	2004 2005 2007-2009 2009-2017 2016-Present 2018 2019-2022 2023-Present	Head of Planning Production / Production Technology Engineer Acting Production Planning Manager Production Planning Manager Assistant Factory Manager Assistant Director of Planning and QA Assistant Director of Cost Management Assistant Factory Manager for Planning & Production
19	Mr. Rewat Kaoluang	Assistant Factory Manager, Quality Assurance, Production & Production Technology, Factory Line	51	-Bachelor of Engineering Materials handling Technology, -Master of Engineering, King Mongkut's University of Technology Thonburi	-	-	2022-Present	Assistant Factory Manager Quality assurance and production / production technology, factory lines
20	Mr. Ekkasit Kongsakul	Assistant Vice President of Corporate Strategy Planning	57	-Bachelor of Engineering Mechanical branch King Mongkut's University of Technology Thonburi	-	-	March24-Present	Assistant Vice President of Corporate Strategy Planning
21	Miss Prapa Phisuttitada	Purchasing Manager, Marketing and Support Division	52	-Master of Engineering industrial branch, King Mongkut's University of Technology Thonburi -Bachelor of Engineering food engineering (Mechanical Department)	-	-	2009-Present	Purchasing Manager
22	Mr. Nawapol Singnil	Engineering Manager, Factory Division	47	Bachelor of Electrical Power Engineering, Sripatum University	-	-	2018-2021 2021-Present	Acting Maintenance Manager Engineering Manager
23	Mr. Arnat Jumpanat	Production Manager 2, Factory Division	44	Bachelor of Industrial Engineering, Sripatum University	-	-	2009-2011 2011-2012 2012-2017 2018-2020 2020-Present	Production Engineer and Production Technology Supervisor 2 Assistant Production Manager 1 Production Manager 1 Production Manager 2
24	Ms. Rassamee Nonsiri	Strategic, Sourcing & Logistic Manager, Marketing and Support Division	40	-Bachelor of Humanities, English, Ramkhamhaeng University -Master of Science in Supply Chain Management, Assumption University	-	-	2016-2017 2017 2018-Present	Sales Coordinator Assistant Manager of Strategic Sourcing and Logistics Affairs Strategic Sourcing & Logistics Manager

Name-surname / position		Age (Y)	Educational qualifications	Shareholding in the Company (%)	Family relationship between Directors and Executives	Work experience in the past 5 years		
						Period	Position in Varopakorn Plc.	
25	Mr. Chukiat Khumkaew ⁶	64	Technical and production support Manager, Factory Division	Vocational Technology Campus, Rajamangala University of Technology	-	-	2021-2023 2021-Present	Technical and production support Manager Production Manager 36
26	Ms. Laphatrada Saikham	47	Human Resources Manager,	Bachelor's degree in Human Resource Management, Ramkhamhaeng University	-	-	2019-2020 2020-Present	Personnel Manager HR Manager
27	Mrs. Nittaya Phinyo	43	Accounting Manager	-Bachelor of Accounting, University of the Thai Chamber of Commerce -Master of Accounting, Ramkhamhaeng University	-	-	2018-2022 2022-Present	Assistant Accounting Manager Accounting Manager
28	Mr. Surachai Topipatchai ⁴	46	Sales and Marketing Manager	-Bachelor of Management, Kasetsart University -Master of Marketing, Srinakharinwirot University	-	-	2023-Present	Sales & Marketing Manager
29	Mr.Trinnaphat Puengsawat ⁴	50	Finance Manager	-Bachelor of Accounting, Ramkhamhaeng U. -Master of Economics, Ramkhamhaeng University	-	-	2023-Present	Finance Manager
30	Mr. Likhit Uthiya ⁶	59	Production Manager 1, Factory Line	-Vocational Certificate in Industrial Technology Chiang Rai Technical College	-	-	1990-2019 2020 2021 2023-Present	Department Head, Sup Assis.Manager, Production Department 1 Assis.Production Manager 1 Production Manager 1
31	Mr. Atthapol Kaewsuk ⁶	41	Production Manager 4, Factory Line	-Bachelor of Engineering Industrial branch King Mongkut's University of Technology Thonburi	-	-	2023 2023 2024-Present	Production Engineer Production Manager 3 Production Manager 4
32	Ms. Chamiporn Irakom ⁵	33	Quality Assurance Manager, Factory Line	-Bachelor of Engineering Materials Engineering major, Prince of Songkla University	-	-	2557-2563 2020-2023 2023-Present	Quality Assurance Engineer Assistant Manager, Quality Assurance Department Quality Assurance Manager
33	Ms. Matree Nuankratok ⁵	31	Research and Development Manager, Factory Line	-Bachelor of Engineering Department of Chemical and Process Engineering, Walailak University	-	-	2016 2021-2023 2023 2023-Present	Quality Assurance Engineer Assistant Production Manager 4 Production Manager 4 Research and Development Manager
34	Ms. Kamonwan Panrong ⁵	29	Production Planning Manager, Factory Line	-Bachelor of Engineering Department of Management and Logistics Engineering, Silpakorn University	-	-	2018-2021 2021-2023 2023-Present	Planning Engineer Assis. Manager, Production Planning Department Production Planning Manager

* Directors who have the authority to bind the company as specified in the current affidavit No. 1-11 Director of the Company ** including the spouse's shares No. 2, 3, 4, 12, 13, 15-34 Factory Executive Officer

¹ Mr. Chaiyong Deephanphongs, resigned from the position of Chief Executive Officer and has been appointed as a consultant effective from 10 November 2023 onwards and will continue to serve as a director of the company.

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

³ Mr. Thanawat Sornjai has been appointed to the position of Managing Director effective from 15 November 2023 onwards.

⁴ appointed in March 2023 ⁵ appointed in May 2023 ⁶ appointed in February-March 2024

1.2 Duties and Responsibilities of Company Secretary

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

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

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

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

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

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

Attachment 2

Details of the directors of the subsidiary

-Non subsidiaries-

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

Name	Ms. Ruetaichanoke Supapong (Dharmniti Internal Audit Co.,Ltd.) Age 40 years		
Educational qualifications	Bachelor of Humanities and Social Sciences, Marketing, Burapha University		
Certificate	Certified Professional Internal Audit of Thailand (CPIAT)		
Training	Pre-CIA Program CIA Part II Training Program COSO 2013 curriculum, theory and practice Course of internal control guidelines for companies preparing to be listed on the stock exchange International Standards for the Professional Practice of Internal Auditing IT Audit Course Corruption Investigation Course Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Project for maintaining and improving the quality of the organization's internal audit work Asian Confederation of Institutes of Internal Auditors conference 2018 Internal Audit Comprehensive : IAC		
Shareholding	-None-		
Relationship characteristics	-None-		
Duration	Company	Position	Responsibility
Jun 2016 - present	Dharmniti Internal Audit Company Limited	Executive Director Manager	<ul style="list-style-type: none"> ● Co-establish policies, goals, strategies, along with planning, monitoring and quality control of internal audit operations to comply with the defined policy ● Agree on the audit action plan before presenting it to the Audit Committee for approval and signing the audit report ● Provide knowledge and understanding about internal controls, risks and internal audits to the team and auditors ● Plan and control the performance of the internal audit to comply with the specified plans
2011-2016	Dharmniti Auditing Co., Ltd.	Assistant Manager	<ul style="list-style-type: none"> ● Plan and control the performance of the internal audit to comply with the specified plans ● Plan and control the performance of the internal audit to comply with the specified plans
2009-2010	Dharmniti Auditing Co., Ltd.	Senior Internal Auditor	<ul style="list-style-type: none"> ● Prepare an internal audit plan for submission to management and board of director ● Control internal auditors and conduct audits to comply with the specified plans
2007-2008	Dharmniti Auditing Co., Ltd.	Internal Auditor	<ul style="list-style-type: none"> ● Perform internal audit tasks as assigned

Attachment 4

Assets used in business operations and details of property appraisals

- Main fixed assets used in the Company's business

(Unit : Million baht)

Property Type/Characteristics	Proprietary nature	Net book value As of 31 December 2023	Obligation (Mortgage limit)
Land	Company owned	236.30*	1,305
Building	Company owned	30.91	
Machine-Equipment	Company owned	528.55**	726.08

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

** Excluding work in progress of 34.76 million baht

Important intangible assets in business

(Unit : Thousand baht)

Royalties	Computer software	Total
-	872	872

Details about the property appraisal list

-Non-

Attachment 5**Policies and guidelines for corporate governance, full version and Code of conduct, full version that the company has prepared in the following matters**

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

Section 1 Code of conduct.

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

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

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

Section 3 Code of Conduct for Employees

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

Practice tracking

Examination or informing

Corporate Governance Code (CG Code)



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

Code of conduct

<https://www.varopakorn.com/th/company-structure/investor-relations/corporate-governance-code/%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88/>

<https://www.varopakorn.com/wp-content/uploads/2022/05/VARO-%E0%B8%88%E0%B8%A3%E0%B8%A3%E0%B8%A2%E0%B8%B2%E0%B8%9A%E0%B8%A3%E0%B8%A3%E0%B8%93%E0%B8%98%E0%B8%B8%E0%B8%A3%E0%B8%81%E0%B8%B4%E0%B8%88-Code-of-conduct-final-TH-140265.pdf>

Corporate Governance Code

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

<https://www.varopakorn.com/wp-content/uploads/2022/05/CG-Code-%E0%B8%AB%E0%B8%A5%E0%B8%B1%E0%B8%81%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%81%E0%B9%8D%E0%B8%B2%E0%B8%81%E0%B8%B1%E0%B8%9A%E0%B8%94%E0%B8%B9%E0%B9%81%E0%B8%A5%E0%B8%81%E0%B8%B4%E0%B8%88%E0%B8%81%E0%B8%B2%E0%B8%A3%E0%B8%97%E0%B8%B5%E0%B9%88%E0%B8%94%E0%B8%B5-VARO-EN-final.pdf>

Audit Committee Report

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

The audit committee performs its duties independently according to the scope of responsibilities specified in the Audit Committee Charter and as assigned by the Board of Directors which is in line with the announcement of the Stock Exchange of Thailand and good practices of the Securities and Exchange Commission. In 2023, the Audit Committee held a meeting with senior executives, internal auditor and the auditor a total of 4 times and there was a meeting without the management attending the meeting. All members of the Audit Committee attended the meeting completely every time and report the performance of duties to the Company's Board of Directors Perform duties every quarter. The main points can be summarized as follows.

1) Financial report: The Audit Committee reviewed the quarterly financial statements and the company's annual financial statements together with the company's auditors and executives regarding the accuracy and completeness of the financial statements and disclosure of information in the financial statements, improving accounting entries and important issues, suitability of accounting policies and methods including acknowledging the auditor's observations and suggestions. The Audit Committee is of the opinion that such financial report is accurate and reliable as it should be in essence, sufficient information is disclosed. It is beneficial to users of financial statements and in accordance with the requirements of the law and Thai financial reporting standards.

2) Risk management: The Audit Committee has reviewed the efficiency and effectiveness of plans and guidelines for managing risks that affect operating results collaborate with the management team regularly to assess the efficiency and adequacy of the company's risk management including the operations of the management team that are consistent with the policies and approval authority set forth.

3) Internal control and internal audit: The Audit Committee reviewed the internal controls by considered from the report of the internal auditor and the auditor to comply with the company's operating regulations as well as correct and improve the internal control system to be appropriate, sufficient, and effective. In addition, the Audit Committee consulted with the internal auditors in planning and approving the annual audit plan.

4) Supervision process: The Audit Committee has reviewed and monitor the company's operations to ensure compliance with regulations and laws regarding securities and the stock exchange, regulations of the Securities and Exchange Commission including other laws related to the company's business.

5) Related transactions: The Audit Committee has reviewed related transactions or transactions that may have conflicts of interest by adhering to the principles of caution, fairness, reasonableness, transparency and taking into account the interests of the Company's stakeholders including adequate disclosure of information.

6) Auditor: The Audit Committee considered and resolved to approve the auditor from EY Office Company Limited to be the Company's auditor in 2024, including considering the audit fee which was presented to the Board of Directors for consideration and will request approval at the 2024 Annual General Meeting of Shareholders.

In summarizing the overall in 2023, the Audit Committee has performed its duties and responsibilities as assigned, using knowledge, ability, caution, carefulness and sufficient independence as well as giving opinions and suggestions for the benefit of all stakeholders equally.

(Mr. Thanomsak Chotikaprakai)
Chairman of the Audit Committee



บริษัท วโรปกรณ์ จำกัด (มหาชน)
VAROPAKORN PUBLIC COMPANY LIMITED

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