

2022 was an unusually volatile year for palm oil. The surge in price resulted in the gap between the highest and the lowest prices widening to 30 Baht/kg., as explained in previous year's One Report. The situation in 2023 has resumed to normal with less volatile prices. The monthly average CPO price in the Kingdom hit its highest level in April at 33.91 Baht/kg. before plunging to below 29 Baht in September, with the gap between the highest and lowest prices in 2023 was 4.93 Baht/kg.

In the first half of the year, a decline in production output was expected due to drought for a certain period from the widely foreseen phenomenon of 'Super El Niño'. In the event, however, the Kingdom's oil palm output in 2023 amounting to 18.2 million MT did not decrease much when compared with 2022. Following the same pattern as those of Indonesia and Malaysia, the outputs of which were about the similar level as 2022. The drought from El Niño is foreseen to continue to 2024 at a mild to moderate level.

The problem of global warming and climate change is becoming more severe caused by greenhouse gases. Strategic planning along with the sustainability framework (Environmental, Social and Governance or ESG) is essential to drive business with the principles of good governance to mitigate environmental issue. Recognising the importance of this matter, the Company is actively integrating ESG pillars into normal business processes. The Company in parallel focuses on efficient inventory and raw material management, posing a strong competitive advantage position going forward. Palm oil remains core for the business contributing approximately 80% of turnover, and the Company continuously carries out research and development to add value to its existing margarine and shortening categories, particularly bakery applications. Furthermore, the Company develops and improves manufacturing process by employing advanced technology to reduce energy consumption, and improve both productivity and efficiency in the production lines.

Finally, I would like to thank the Board of Directors, management and all employees for their support and dedication in well performing the duties, helping the Company to earn strong operating results of previous year and achieve its target as set. Conducting business sustainably by adhering to environmental care with social responsibility covering the respect for human rights and management under the principles of good corporate governance according to the ESG framework remain key factors in driving the Company more steadily.

On behalf of the Board of Directors, I wish to express my sincere thanks and appreciation to shareholders, customers, business partners and business alliances, and all stakeholders for rendering their full-fledged support to the Company for all these years. All of you are crucial parts of Lam Soon's leading position in the Thai palm oil business for more than 50 years. We look forward to your continued support in the future.



Mr. Thira Wipuchanin
Chairman