

Ref No : GENCO 080/2023

August 18, 2023

To: President
The Stock Exchange of Thailand

Subject: Clarification Regarding the Stock Buyback Project for Financial Management, as Inquired by SET

In reference to the letter from the Stock Exchange of Thailand, Bor.Jor. 191/2023, requesting adherence to the regulations concerning the disclosure of information with rigor, regarding the delayed disclosure of information about the stock buyback project for financial management, General Environmental Conservation Public Company Limited would like to provide an explanation for the reasons behind the delayed information disclosure. The details are as follows:

On July 18, 2023, the Company disclosed information about the approved stock buyback project. The company's board of directors passed a resolution on June 20, 2023, to repurchase shares not exceeding 10% of the paid-up capital. The company specified a timeframe for the repurchase to take place within six months, starting from July 12, 2023, and ending on January 11, 2024. The Stock Exchange notified that the disclosure of the stock buyback project needed to be made in advance, at least three days before the commencement of the repurchase, which prompted the Company to amend its plans. Consequently, the Company submitted revised news indicating that the repurchase would occur from July 21, 2023, to January 20, 2024. On July 26, 2023, the Company reported the outcomes of the stock buyback on July 14, 17, and 18, 2023. This was due to the delayed disclosure of the stock buyback project compared to the stipulated guidelines. The data was amended three times, and the repurchase was executed before the disclosure of the project. Subsequently, the Stock Exchange issued a letter, Ref. Bor.Jor. 191/2023, dated August 4, 2023, requesting adherence to the regulations on rigorous information disclosure. In light of these developments, the Company wishes to address the following issues:

1. Reasons for Non-compliance with Relevant Criteria Regarding Stock Buyback
 - The company wishes to clarify that the reason for the delayed disclosure of the stock buyback project is attributed to operational deficiencies within the organization leading to the delayed dissemination of information, as well as issues concerning the belated reporting of the outcomes of the stock repurchase. This was due to a lack of communication within the organization between the division responsible for executing the stock buyback and the division tasked with information disclosure.
2. Remedial Strategies to Align the Stock Buyback Program with Established Criteria
 - The company will engage in discussions or consultations with relevant entities, including the Ministry of Commerce and The Securities and Exchange Commission (SEC), to ensure future stock buyback programs are in full compliance with the established criteria. And the company will inform results on setlink system within August 31, 2023.
 - Additionally, the company will report the results of the stock buyback within the time frame stipulated by the securities market, adhering rigorously to the schedule. The reports will be submitted by 9:00 AM on the following business day. Additionally, the legal department will ensure the accuracy of the information before each disclosure. The company remains committed to adhering strictly to regulations and guidelines concerning all matters related to stock buybacks, ensuring accuracy in all aspects, such as the timing of purchases, transparency, and verifiability.

3. The Perspectives of the Board of Directors and the Audit Committee Regarding the Adequacy of the Internal Control System in Ensuring Adherence to Criteria
- During the board of directors and audit committee meeting held on August 11, 2023, the significance of information disclosure was acknowledged. Consequently, a resolution was passed to approve corrective measures. These measures involve engaging the legal department to conduct audits on the accuracy of data and criteria compliance, encompassing various legal requirements associated with Stock Exchange Work. Furthermore, it was decided to review the timing of resolutions communicated to the board of directors by the Stock Exchange Department, ensuring adherence to the stringent timeframe set by the Stock Exchange Department to ensure proper oversight in alignment with the established criteria. Based on the errors in delayed information disclosure, the committee has recognized the inadequacy and deficiencies within the current internal control system of the Stock Exchange Department. Therefore, it was deemed necessary to engage the internal audit department to scrutinize and evaluate the internal control system of the company's Stock Exchange Department, particularly in terms of operational practices. This evaluation aims to ensure that responsible staff members perform their duties effectively, including compliance with policies and pertinent laws, ensuring their future alignment with legal standards. This evaluation and enhancement process is scheduled to be carried out within the fourth quarter of 2023. In this context, the company will transparently report the results of the evaluation, improvement strategies, and monitoring outcomes derived from the internal audit department to the Stock Exchange of Thailand for continued awareness.

Please be informed accordingly.

Yours sincerely,



Mr. Burin Amornpichit
Managing Director