

## AUDIT COMMITTEE REPORT

The Audit Committee of Univanich Palm Oil PCL was established by resolution of the Board of Directors on 29 July 2003. Three Independent Directors were reappointed to the Committee on 11th May 2006, as follows;

Mr Suchad Chiaranussati	:	Chairman of Audit Committee
Mr Tanate Phutrakul	:	Member of Audit Committee
Ms Supapang Chanlongbutra	:	Member of Audit Committee

Details of the scope of duties of the Audit Committee, as defined by the Board of Directors, may be found within the Company's Annual Report.

In 2006, the Audit Committee requested the Company's Internal Auditor to review the general purchasing activities and to review weight losses on fruit deliveries and oil despatches. The Auditor's review was based on interviews, observing, trial sampling and examining the supporting evidence.

The Internal Auditor's reports indicated that overall the controls on general purchasing and weight losses are well designed and operating adequately. The report also included the Internal Auditor's suggestions to further strengthen these controls.

The Audit Committee accepted the report of the Internal Auditor which was also accepted by the company's senior management.

During 2006, the Audit Committee held four meetings. The Committee also reviewed the Quarterly Financial Statements prepared by the external auditor, and recommended these to the Board of Directors.

The Audit Committee has reviewed the Annual Financial Statements for 2006 together with the company's management and with the external auditor. The Audit Committee is of the opinion that the Annual Financial Statements present fairly, in all material respects, the financial position of Univanich Palm Oil Public Company Limited as at 31 December 2006 and 2005, including the results of the company's operations and its cash flows for those years, in accordance with generally accepted accounting principles.

The Audit Committee is of the opinion that the management of the company has performed its duties in accordance with all laws and regulations to which the company must comply. The Committee is also of the opinion that all related party transactions have been conducted within the guidelines established to avoid any conflict of interest, and that the published code of good corporate governance has been applied.

The Audit Committee has proposed to the Board of Directors to consider the reappointment of Mrs Suwanee Bhuripanyo, of PricewaterhouseCoopers ABAS Limited, to be the company's statutory auditor for 2007. This nomination will be proposed to the Annual General Meeting of Shareholders for confirmation.



**Suchad Chiaranussati**  
Chairman of Audit Committee