



**Annual Registration Statement /
Annual Report 2021
Form 56-1 One Report**

Vanachai Group Public Company Limited

To Shareholders,

As a result of the worldwide spread of coronavirus disease 2019 (COVID-19), it causes the slowdown in the production sector, consumption, private investment, and tourism and hospitality sector severely in 2020, which affects the Company's performances in 2020.

In 2021, the impact of the China-United States trade war unfolded. Confidence in economic conditions resulted in the increase in demand for the Company's products in international markets. In addition, the severity of the coronavirus disease 2019 (COVID-19) outbreak had been decreasing since the beginning of the year. One of the main reasons was the infection prevention among the population. There are more people receiving the vaccine against COVID-19, especially in countries that are the Company's main customers. As a result, the measures to control activities that affects the trade logistics system has been relaxed. As such, exports of the Company's products that had shrunk dramatically in 2020 began to expand in 2021, resulting in the growth of performances of the Company and its subsidiaries in 2021. The total revenues from sales were 12,988 million Baht, increased from those of the same period in 2020 to 4,667 million Baht, or approximately 56% , and the net profit for the year was 1,308 million Baht, or increased by approximately 320%, compared to the year 2020.

However, the coronavirus disease 2019 (COVID-19) outbreak persists, resulting in the slowdown in economic conditions, which affects the supply chain, causing the increase in production costs. The Company continues emphasizing on careful, prudent, and effective management. It can adapt to accommodate various uncertain factors in a timely manner. The Company focuses on projects reducing costs and increases production efficiency to be competitive. Environmental management and social responsibility are provided to promote sustainable progression for the Company.

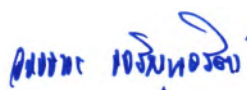
In 2021, the investment plan for electricity generation from biomass fuel was completed and it was operated in the fourth quarter of the year 2021. The OSB (Oriented Strand Board) plant project could be launched in the fourth quarter of the year 2021 as well. In 2022, the Company plans to increase 1 project of solar power generation at Saraburi plant, which will increasingly reduce the cost of electricity.

Amid the global economic slowdown caused by the coronavirus disease 2019 (COVID-19) outbreak affecting the overall economy of the country and general entrepreneurs, the Company continues adhering to the management principles emphasizing on efficient operations and maintaining liquidity and financial strength so that the Company will have sufficient working capital to operate its businesses in accordance with the action plan.

On this occasion, the Board of Directors would like to thank our customers, shareholders, and business partners for their trust in the Company's operations, including any agencies in the public and private sectors and financial institutions for their continuous support.



(Mr.Sompop Sahawat)
Chairman



(Mr.Wanthana Jaroennawat)
Managing Director



Important changes in 2021

In 2021, the total revenue from sales of the Company and its subsidiaries was 12,987.7 million Baht, increased by 4,666.6 million Baht or 56% , compared to the total revenue from sales of 8,321.1 million Baht in 2020. The net profit for the year was 1,308.4 million Baht, compared to the year 2020 where the loss for the year was 594.7 million Baht. The net profit increased by 1,903.2 million Baht, or 320%.

Such net profit for the year was the result of the unfolding situation of China-United States trade war and the increase in the demand for the Company's products in the international market. In addition, the severity of the coronavirus disease 2019 (COVID-19) outbreak had been decreasing since the beginning of the year. One of the main reasons was the infection prevention among the population. There are more people receiving the vaccine against COVID-19, especially in countries that are the Company's main customers. As a result, the measures to control activities that affects the trade logistics system has been relaxed. As such, exports of the Company's products that had shrunk dramatically in 2020 began to expand in 2021, resulting in the increase in the domestic and international sales value of the Company and its subsidiaries for the year 2021 by approximately 14% and 70%, respectively, compared to the year 2020.

However, since the productivity continuously improves and raw material consumption is closely and appropriately managed in each product to control production costs that are likely to increase due to the COVID-19 crisis affecting the supply chain, the prices of raw materials and inputs increased. In 2021, the sales price of main products, which are MDF Board and Particleboard, increased by 26% and 27%, respectively, compared to the year 2020 as the market demand increased, especially in international markets. This resulted in an increase in gross profit of 2,229.0 million Baht and an increase in gross profit margin of approximately 13% from the year 2020.

The in-progress investment projects of the Company's subsidiaries, Vanachai Panel Industries Company Limited (Subsidiary), were the OSB (Oriented Strand Board) manufacturing project with the capacity of 210,000 cubic meters per year, which could be manufactured and sold in the fourth quarter of the year 2021, and the biomass power plant investment project with the capacity of 9.9 megawatt of Vanachai Energy Industries Company Limited (Subsidiary), which was also operated in the fourth quarter of the year 2021 as well.

Regarding the finance for the year 2021, the Company repaid long-term debt on due date in the amount of 517.4 million Baht. At the end of 2021, the Company and its subsidiaries had the total liabilities of 12,630.9 million Baht and shareholders' equity of 7,410.6 million Baht. The debt-to-equity ratio was 1.70:1. It was considered the stable financial position.



Business Operation and Operating Results

- Organizational structure and operation of the group of companies
- Risk management
- Business sustainability development
- Management discussion and analysis (MD&A)
- General information and other material facts

Part 1
Business Operation and Operating Results

1. Organizational structure and operation of the group of companies

1.1 Policies and Overview of Business Operation

Vanachai Group Public Company Limited, formerly known as MDF Planner Company Limited, registered its establishment on February 23, 1989, and registered as a public company on November 1, 1994, and became a listed company on the Stock Exchange of Thailand in 1995. As at December 31, 2021, the Company's paid-up capital amounted to 1,735,237,480 Baht.

The Company and its subsidiaries operate the business of manufacturing and distributing panel boards to replace natural wood and related products. The main products are MDF Board and Particleboard for using in the construction and furniture manufacturing industries. In addition to such main products, the Company and its subsidiaries also have Laminated Flooring, Melamine Laminated on MDF, Melamine Laminated on PB, Door skin, and Oriented Strand Board (OSB), which the production and distribution began in 2021.

As at the end of the year 2021, the Company and its subsidiaries had 4 production factories including:

1. Chonburi Factory is located in Ban Bueng District, Chonburi Province, which produces MDF Boards, Particleboards and Doorskin.

2. Saraburi Factory is located at Kaeng Khoi Industrial Estate, Saraburi Province, which produces MDF Boards, Particleboards, Melamine Laminated on MDF, Melamine Laminated on PB, and Laminated Flooring.

3. Rayong Factory is located at Map Ta Phut Industrial Estate which produces urea formaldehyde adhesive and melamine impregnated paper for selling to companies in the Group.

4. Surat Thani Factory is located in Wiang Sa District, Surat Thani Province, produces MDF Boards, Particleboards, Oriented Strand Board (OSB), Melamine Laminated on MDF, and Melamine Laminated on PB. There is a biomass power plants with a capacity 9.9 MW (Operated by Vanachai Energy Industries Company Limited (a subsidiary of the Company)) to distribute electricity to Surat Thani Factory.

The total capacity of MDF Board, Particleboard, Door skin, Laminated Flooring, and Oriented Strand Board (OSB) of the Company and its subsidiaries was 1,380,000 cubic meters per year, 840,000 cubic meters per year, 3.6 million sheets per year, 10.4 million square meters per year, and 210,000 cubic meters per year, respectively.

Products of the Company and its subsidiaries are sold both domestically and internationally. Domestic customers are the industry's major manufacturers using wood panels as raw materials, such as construction and decoration industries, furniture industry, and distributors. International customers are manufacturers in the construction and decoration industry and furniture industry by purchasing through a dealer or a major importer-exporter.

1.1.1 Vision, Objectives, Goals, Strategies

The meaning of the name "Vanachai" is "Victory of Forest Conservation", representing the vision of the Company's business operation, and being a leader in the development of wood products replacing natural wood with innovation and creativity in order to preserve forest resources and the environment, which generates the proud for the employees in the Vanachai Company Group and all shareholders.

Efficient business operation, commitment of returning the highest benefits to customers, and environmentally-friendly industry are the good corporate governance principle that the Company always adheres to and complies with strictly.

Sincerity towards customers and customers' reliability are considered to be the most important factors of Vanachai. To be customers of Vanachai is not only to use qualified products, but it also means working together to the environmental conservation for maintaining its fertility sustainably and harmoniously.

Personnel of the Company are the key factor of the Company. As a result, the Company pays attention to develop skills and knowledge of employees, including promote them to make the occupational progress continuously.

Business Goals

Industrialization of the Vanachai Group is to conserve the forest. This is the fundamental principle that our Company has adhered to in doing business with the environmentally-friendly system since its start-up. The 2 main objectives and goals of the Company are as follows;

1. Being the leadership in the wood substitute board industry
2. Being the leadership in the forest conservation

Being the leadership in the wood substitute board industry in Thailand and being the leadership in the forest conservation are proven that the Vanachai does not emphasize on the development of production and competition competency only, but we are also aware of the importance and value of natural resources.

Vanachai Group operates its business conscious nature, manufactures and creates qualified wood substituteboard products. Selecting products of Vanachai is not only to use qualified products, but it also means working together to the environmental conservation for maintaining its fertility sustainably and harmoniously. All products of Vanachai are derived from the industry which is aware of the environment and forest conservation. Technologies used in this industry are qualified and manufacture standard products based on the balanced natural conservation.

Operational Strategies

The Company focuses on products with mid-to-upper level of quality. The products are produced to add value to the Group's main products, such as Laminated Flooring and Melamine Laminated on Board. In terms of cost, the Company adopts the production policy using capacity of each production line to meet the demand in the market with appropriate capacity. This is the strength of the Company as the Company has the higher capacity than its competitors. In addition, there is the management of price and cost, the use of raw materials, and the use of waste materials as raw materials to achieve efficient use of raw materials for continuous cost reduction, such as plans of energy cost reduction by using raw materials that cannot be used in the production process to generate electricity for the production process, the electricity generation from solar rooftop, and the development and improvement of efficient production machinery for increasing output with decreasing production costs per unit.

The management system is constantly reviewed to keep employees working efficiently and constantly developing. The Company conducts continuous study for product development and expansion. Projects are conducted to suit economic conditions in order to maintain the leadership in the wood-based panel industry. Regarding the marketing, the Company adopts the policy of distributing products to different markets appropriately, seeking for new markets, and managing customers in numbers that correspond to the Company's capacity.

1.1.2 Important changes

- Year 2017
- The Company paid for 90,000 newly issued shares of PV Wood Company Limited at the par value of 100 Baht per share (par value of 100 Baht) in the amount of 9,000,000 Baht, representing 50% of the registered capital.
 - Vanachai Woodsmith Company Limited was established to be the center for the exhibition and promotion of products of Vanachai Group and the integrated distribution of goods in wholesale form (in progress).



- Year 2017 • Vanachai Panel Industries Company Limited (Subsidiary) approved the implementation of the Particleboard capacity expansion project, Production Line 3, with a capacity of 450,000 cubic meters per year, and the investment budget of 2,000 million Baht at Surat Thani Factory. However, since the competitive situation in the market of Particleboard is high due to the increasing production capacity of the manufacturers, including the trend of the higher price of wood chips that are raw materials for the production of Particleboards according to the demand from the increasing total capacity and the use as fuel for biomass power plants affecting the trend of higher production cost of Particleboard, the change of investment plan is approved from the Particleboard production project to the OSB (Oriented Strand Board) production project, which is the new product of the Company Group. OSB or Oriented Strand Board is three times stronger than other types of plywood and has the same good properties as plywood panel and lumber panel. It can be used in a wider range of applications. Currently, the domestic demand for OSB product, which is imported from foreign countries, tends to increase in order to replace plywood that has high prices and is not sufficient to meet the demand for using it as structured construction material, such as roof, wall, floor, furniture or household furnishings industry, transportation industry, and packaging have the same investment budget and investment period. It was expected to open and operate by 2019.
- Year 2018 • The Company paid for 7,900,000 newly issued shares of Vanachai Woodsmith Company Limited at the par value of 2.50 Baht per share (par value of 10 Baht) in the amount of 19,750,000 Baht.
- The Company paid for 2,400,000 newly issued shares of Vanachai Energy Industries Company Limited at the par value of 2.75 Baht per share (par value of 10 Baht) in the amount of 6,600,000 Baht.
 - MDF Board Capacity Expansion Project with a capacity of 210,000 cubic meters per year at Surat Thani Factory of Vanachai Panel Industries Company Limited (Subsidiary) could produce and sell products in the first quarter of the year 2019.
 - OSB (Oriented Strand Board) Production Project with a capacity of 210,000 cubic meters per year and investment budget of 2,000 million Baht of Vanachai Panel Industries Company Limited (Subsidiary) was in the process of construction of factory buildings and machinery installation.
 - Vanachai Group Public Company Limited invested in the Power Generation System with Solar Rooftop Project with a capacity of 3.358 MWp at the Saraburi Factory. The investment budget was 95 million Baht. Its objective was to reduce the cost and expenses of the Company's electricity bills. Electricity was expected to be generated in 2019.
- Year 2019 • The Company paid for 7,900,000 newly issued shares of Vanachai Woodsmith Company Limited at the par value of 7.50 Baht per share (par value of 10 Baht) in the amount of 59,250,000 Baht.
- The Company paid for 60,000,000 newly issued of Vanachai Energy Industries Company Limited at the par value of 2.50 Baht per share (par value of 10 Baht) in the amount of 150,000,000 Baht.
 - MDF Board Production Expansion Project with a capacity of 210,000 cubic meters per year at the Surat Thani Factory of Vanachai Panel Industries Company Limited (Subsidiary) could produce and sell products in the first quarter of the year 2019.
 - OSB (Oriented Strand Board) Production Project with a capacity of 210,000 cubic meters per year and investment budget of 2,000 million Baht of Vanachai Panel Industries Company Limited (Subsidiary) was expected to produce and sell products around the second quarter of the year 2020.

- Year 2019
- Vanachai Group Public Company Limited invested in the Power Generation System with Solar Rooftop Project with a capacity of 3.358 MWp at the Saraburi Factory. The investment budget was 95 million Baht. Its objective was to reduce the cost and expenses of the Company's electricity bills. Electricity was expected to be generated in the second quarter of the year 2019.
 - Vanachai Logistics Company Limited was established, which operated domestic shipping business. (In progress).
- Year 2020
- The Company paid for 60,000,000 newly issued shares of Vanachai Energy Industries Company Limited at the par value of 5.55 Baht per share (par value of 10 Baht) in the amount of 333,000,000 Baht.
 - The Company paid for 45,000,000 newly issued shares of Vanachai Panel Industries Company Limited at the par value of 10.00 Baht per share (par value of 10 Baht) in the amount of 450,000,000 Baht.
 - The Company paid for 4,900,000 newly issued shares of Vanachai Logistics Company Limited at the par value of 2.50 Baht per share (par value of 10 Baht) in the amount of 12,250,000 Baht.
 - The Company paid for 8,000,000 newly issued shares of Vanachai Woodsmith Company Limited at the par value of 10.00 Baht per share (par value of 10 Baht) in the amount of 80,000,000 Baht.
 - According to the Covid-19 outbreak, each country had measures to control activities in order to inhibit the spread, especially international travel and transportation. This caused the in-progress investment project of the subsidiary of the Company, the OSB (Oriented Strand Board) Production Project with a capacity of 210,000 cubic meters per year of Vanachai Panel Industries Company Limited (Subsidiary), to be postponed. The previous schedule for production and distribution was around the second quarter of the year 2020 and it was changed to the second quarter of the year 2021. In addition, Biomass Power Plant Investment Project with a capacity 9.9 MW and investment budget of 600 million Baht of Vanachai Energy Industries Company Limited (Subsidiary) was also postponed its schedule to open and operate to the second quarter of the year 2021.
- Year 2021
- The Company paid for 60,000,000 newly issued shares of Vanachai Energy Industries Company Limited at the par value of 1.95 Baht per share (par value of 10 Baht) in the amount of 117,000,000 Baht. The newly issued shares were fully paid.
 - The Company paid for 4,000,000 newly issued shares of Vanachai Woodsmith Company Limited at the par value of 10.00 Baht per share (par value of 10 Baht) in the amount of 40,000,000 Baht.
 - The Company paid for 4,900,000 newly issued shares of Vanachai Logistics Company Limited at the par value of 7.50 Baht per share (par value of 10 Baht) in the amount of 36,750,000 Baht. The newly issued shares were fully paid.
 - Vanachai Logistics Enterprise Company Limited was established to operate the domestic shipping services.
 - Biomass Power Plant Project with a capacity of 9.9 MW was operated by Vanachai Energy Industries Company Limited (subsidiary) with the investment budget of 600 million Baht and open in the fourth quarter of the year 2021.
 - OSB (Oriented Strand Board) Production Project with a capacity of 210,000 cubic meters per year and the investment budget of 2,000 million Baht was operated by Vanachai Panel Industries Company Limited (subsidiary). It could produce and sell products in the fourth quarter of the year 2021.



1.1.3 Use of funds from fundraising

Vanachai Group (Public) Company Limited (the "Company") has offered 168,230,604 newly issued ordinary shares to existing shareholders of the Company according to Rights Offering at the par value of 3.75 Baht per share. Funds received from the capital increase amounted to 630,864,765 Baht (according to the date of subscription and payment of securities on July 14 - 17 and 20, 2020). The Company will use the funds received from the capital increase as the working capital. The remaining funds will be used to repay short-term loans from financial institutions. The Company expects to use such capital increase within 2 years after receiving it from shareholders. Such plan may be changed depending on the operating results, cash flow, investment plan, necessity and suitability as deemed appropriate by the Board of Directors, mainly taking into account the interests of the Company and its shareholders.

The Company spent funds from capital increase until December 31, 2021, in the amount of 206.75 million Baht as follows:

Use of funds	Use of funds until December 31, 2021
Used as working capital in the business operation	206.75 million Baht

1.1.4 Obligations of the Company in Annual Registration Statement

- None -

1.1.5 Information of Company and Its Subsidiaries Companies

Information of Company

Company name	: Vanachai Group Public Company Limited
Head office	: 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business	: MDF Board, Particleboard, Doorskin, Laminated Board Laminated Flooring, for local and export sales
Company registration number	: 0107537002621
Tel.	: 0 2585 4900-3, 0 2913 2180-9
Fax.	: 0 2587 9556, 0 2587 0516
Website	: www.vanachai.com
Registered capital	: 1,735,237,480 Baht
Paid-up capital	: 1,735,237,480 Baht
Types and Value of share	: Ordinary shares at a par value of 1.00 baht per share
Factory - Chonburi	: 22/1 Banbung - Neimok Road, Banbung, Chonburi
Tel.	: 0 3829 7322-30
Fax	: 0 3829 7334
Factory - Saraburi	: 112 Kangkoi Industrial Estate, Moo 1, Tambon Ban - That, Kangkoi, Saraburi
Tel.	: 0 3624 5644

Information of Subsidiaries Companies

1. Particle Planner Company Limited

Head office	:	2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business	:	Particleboard, for local and export sales
Company registration number	:	0105533142362
Tel.	:	0 2585 4900-3, 0 2913 2180-9
Fax.	:	0 2587 9556, 0 2587 0516
Registered capital	:	250,000,000 Baht
Paid-up capital	:	250,000,000 Baht
Types and Value of share	:	Ordinary shares at a par value of 100.00 baht per share
Factory - Chonburi	:	22/2 Banbung - Neimok Road, Banbung, Chonburi
Tel.	:	0 3829 7322-30
Fax.	:	0 3829 7334

2. Vanachai Panel Industries Company Limited

Head office	:	2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business	:	MDF Board, Particleboard, Wood surface, Oriented Strand Board for local and export sales
Company registration number	:	0105538073822
Tel	:	0 2585 4900-3, 0 2913 2180-9
Fax	:	0 2587 9556, 0 2587 0516
Registered capital	:	4,750,000,000 Baht
Paid-up capital	:	4,750,000,000 Baht
Types and Value of share	:	Ordinary shares at a par value of 10.00 baht per share
Factory - Suratthani	:	8/8 Moo 1, Khao - Niphun, Wieng Sra, Suratthani 115 Moo 3, Thungluang, Wieng Sra, Suratthani
Tel.	:	0 7727 8500
Fax.	:	0 7730 1130

3. Vanachai Chemical Industries Company Limited

Head office	:	2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business	:	Manufacture resin and impregnated paper for support usage among the Company Group
Company registration number	:	0105537112506
Tel.	:	0 2585 4900-3, 0 2913 2180-9
Fax.	:	0 2587 9556, 0 2587 0516
Registered capital	:	150,000,000 Baht
Paid-up capital	:	150,000,000 Baht
Types and Value of share	:	Ordinary shares at a par value of 10.00 baht per share
Factory - Rayong	:	10 Soi G-14 Prakomsongkroaraj Road, Muang, Rayong 10/1 Soi G-14 Prakomsongkroaraj Road, Mabtapud, Muang, Rayong
Tel.	:	0 3868 5071-2
Fax.	:	0 3868 3562



4. Woodtek International Company Limited

Head office : 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business : Operate marketing business for all products under the Company Group
Company registration number : 0105532003105
Tel. : 0 2585 4900-3, 0 2913 2180-9
Fax. : 0 2587 9556, 0 2587 0516
Registered capital : 2,000,000 Baht
Paid-up capital : 2,000,000 Baht
Types and Value of share : Ordinary shares at a par value of 100.00 baht per share

5. PV Wood Company Limited

Head office : 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business : Production and sales of Laminated Veneer, for local and export sales
Company registration number : 0105557117741
Tel. : 0 2585 4900-3, 0 2913 2180-9
Fax. : 0 2587 9556, 0 2587 0516
Registered capital : 38,000,000 Baht
Paid-up capital : 38,000,000 Baht
Types and Value of share : Ordinary shares at a par value of 100.00 baht per share
Factory - Chonburi : 22/1 Banbung - Neimok Road, Banbung, Chonburi
Tel. : 0 3829 7322-30
Fax. : 0 3829 7334

6. Vanachai Energy Industries Company Limited

Head office : 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business : Production and distribution of electricity from renewable energy biomass, for sales to Vanachai Panel Industries Company Limited (the Company's subsidiary)
Company registration number : 0105558150679
Tel. : 0 2585 4900-3, 0 2913 2180-9
Fax. : 0 2587 9556 , 0 2587 0516
Registered capital : 625,000,000 Baht
Paid-up capital : 613,600,000 Baht
Types and Value of share : Ordinary shares at a par value of 10.00 baht per share
Factory - Suratthani : 9/99 Moo 1, Khao Niphan, Wieng Sra, Suratthani
Tel. : 0 7727 8500
Fax. : 0 7730 1130

7. Vanachai Woodsmith Company Limited

Head office : 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business : Exhibition and public relation center for the company group's products
Distribution of products in the form of a complete wholesale trade
Company registration number : 0105560161275
Tel. : 0 2587 9700-1, 0 2587 7952-5
Fax. : 0 2587 9556, 0 2587 0516
Registered capital : 200,000,000 Baht
Paid-up capital : 200,000,000 Baht
Types and Value of share : Ordinary shares at a par value of 10.00 baht per share
Branch Office : Search from www.woodsmith.co.th

8. Vanachai Logistics Company Limited

Head office : 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business : Business pick-up and delivery of goods within the country. (In the process)
Company registration number : 0105562077581
Tel. : 0 2585 4900-3, 0 2913 2180-9
Fax. : 0 2587 9556, 0 2587 0516
Registered capital : 50,000,000 Baht
Paid-up capital : 50,000,000 Baht
Types and Value of share : Ordinary shares at a par value of 10.00 baht per share
Branch - Chonburi : 22/2 Banbung - Neimok Road, Banbung, Chonburi
Tel. : 0 3829 7322-30
Fax. : 0 3829 7334

9. Vanachai Logistics Enterprise Company Limited

Head office : 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Type of business : Business pick-up and delivery of goods within the country. (In the process)
Company registration number : 0105564115081
Tel. : 0 2585 4900-3, 0 2913 2180-9
Fax. : 0 2587 9556, 0 2587 0516
Registered capital : 1,000,000 Baht
Paid-up capital : 1,000,000 Baht
Types and Value of share : 4,900 ordinary shares, par value of 100.00 baht per share
5,100 preferred shares with a par value of 100.00 baht per share
Branch - Chonburi : 22/1 Banbung - Neimok Road, Banbung, Chonburi
Tel. : 0 3829 7322-30
Fax. : 0 3829 7334



1.2 Types of Business

1.2.1 Revenues structure

Revenue structure by product

(Unit : Million Baht)

Product	Operate by	% of Share Holding	2021		2020		2019	
			Revenue	%	Revenue	%	Revenue	%
MDF Board	Vanachai Group Plc.							
	Vanachai Panel Industries Co., Ltd.	99.99	8,432.18	65	5,347.68	64	5,522.14	58
Particleboard	Vanachai Group Plc.							
	Particle Planner Co., Ltd.	99.99	2,523.50	19	1,341.41	16	1,818.77	19
	Vanachai Panel Industries Co., Ltd.	99.99						
OSB Board	Vanachai Panel Industries Co., Ltd.	99.99	217.05	2	-	-	-	-
Laminated Flooring	Vanachai Group Plc.		536.76	4	594.46	7	838.44	9
Wood surface	Vanachai Group Plc.							
	Vanachai Panel Industries Co., Ltd.	99.99	851.50	7	715.17	9	941.54	10
	PV Wood Co., Ltd.	50.00						
Doorskin	Vanachai Group Plc.		320.68	2	209.57	3	241.70	3
Other products	Company in group	99.99	106.06	1	112.79	1	77.69	1
Total sales			12,987.73	100	8,321.08	100	9,440.28	100

Domestic and international revenue structure

(Unit : Million Baht)

Type	2021		2020		2019	
	Value	Percentage per Total Revenue	Value	Percentage per Total Revenue	Value	Percentage per Total Revenue
Income - Domestic	2,302.08	17.72	2,024.45	24.33	2,503.08	26.51
Income - International						
- From CLMV countries	1,513.04	11.65	1,560.49	18.75	1,082.79	11.47
- From other countries	9,172.61	70.63	4,736.14	56.92	5,854.41	62.02
Total revenue	12,987.73	100.00	8,321.08	100.00	9,440.28	100.00

1.2.2 Information about products

(1) Product or service characteristics and development of business innovation

Main products of the Company and its subsidiaries consist of:

1. MDF Board

The Company's main product is MDF Board, which is classified as fiber board products derived from fibers of wood or plants containing fibers, such as eucalyptus, rubber, lead tree, etc., combined with binder (Urea Formaldehyde Resin) and compressed into a homogeneous board with the same high density throughout the board.

There are two types of fiberboards according to the density characteristics, which are compressed fiberboard and non-compressed fiberboard. The most commonly used fiberboards nowadays are compressed fiberboards, including hard board, which is high-density fiberboards, and MDF Board, which is medium-density fiberboards. MDF Board is the product that have similar properties to natural wood. It can be trimmed, decorated, nailed, edged, and grooved. This makes it widely used to substitute natural wood in the construction material industry, decoration, production, household appliances, such as floors, frames, sub-frames, walls, doors, including production of furniture or furniture components, such as cabinets, beds, office supplies. In addition, the MDF Board is also used to produce toys, souvenirs, picture frames, etc.

The Company's MDF Board is made from rubber wood which is one of the important economic plants. The branch of rubber wood and the remaining part of the trunks that are felled is used to produce processed rubber wood, including the wood left from processing. It is considered the most efficient use of natural resources. The MDF Board produced by the Company has the density of between 740 - 830 kilogram per cubic meter with a smooth surface on both sides. Currently, the Company produces MDF Boards with the width and length of 4 x 8 feet and various thicknesses according to market demand.

Surface on MDF Board is produced by using MDF Boards to cover the surface with various materials, such as Wood Veneer, derived from teak and rubber logs, which makes the exterior look like a natural wood panel, or paper, PVC, melamine, which gives a variety of colors and patterns. Its width and length are 4 x 8 feet and the thickness ranges from 2.6 to 25 millimeters.

MDF Boards and Surface on MDF Board are manufactured by Vanachai Group Public Company Limited and Vanachai Panel Industries Company Limited (Subsidiary).

2. Particleboard

Particleboard is the product derived from rubber wood like MDF Board. The difference is that the Particleboard is made from small pieces of wood compressed together by using a binder (Urea Formaldehyde Resin) to bind the structure of the Particleboard. The top and bottom layers is made of fine wood and the middle layer is coarse wood. As a result, the Particleboard is not suitable for holding nails and it cannot be decorated with edges or grooves on the surface. Companies in Vanachai Group producing Particleboards include Vanachai Group Public Company Limited, Particle Planner Company Limited (Subsidiary) and Vanachai Panel Industries Company Limited (Subsidiary). The Particleboard produced is 4 x 8 feet wide and its thickness ranges from 9 to 35 millimeters.

Surface on Particleboard is produced by using Particleboards to cover the surface with various materials, such as paper, PVC, melamine. There is a variety of colors and patterns. Its width and length are 4 x 8 feet and the thickness ranges from 9 to 35 millimeters.

Particleboards are generally used in the building and finishing materials industry, such as doors, walls, frosted, floors, furniture manufacturing, i.e. cabinets, beds, tables, office supplies, etc.

Particleboard is manufactured by Vanachai Group Public Company Limited, Vanachai Panel Industries Company Limited (Subsidiary) and Particle Planner Company Limited (Subsidiary), while Surface on Particleboard is manufactured by Vanachai Group Public Company Limited and Vanachai Panel Industries Company Limited (Subsidiary).



3. Oriented Strand Board (OSB)

OSB (Oriented Strand Board) is the new innovation of construction materials and general decoration because it is easy to install. It is durable because it contains wood chips that are cut into small pieces and placed alternately over several layers. This makes it highly strong and durable. It can be used as a substitute for plywood board with a wide range of applications, including floor and wall structures, floor, roof, furniture or household furnishings industries, and packaging.

Oriented Strand Board (OSB) product is a new product of the Company that began to manufacture and distribute in the fourth quarter of the year 2021 by Vanachai Panel Industries Company Limited (Subsidiary). It is manufactured at Surat Thani Factory by using machines with state-of-the-art production technologies.

In the production process, small, flat, thin and long wood chips are used to mix with glue in order to adhere wood chips and add special substances to increase properties to the wood according to the purpose of use. Wooden pieces are formed and placed on each layer. The wood splinter is in the same direction on each layer. OSB has at least 3 layers and wood splinter of each layer is positioned as alternating layer that is perpendicular to the adjacent layer to give greater strength. After that, it goes through the high heat and pressure compression process and it is cut into a size with width and length according to the customer's application requirements. Its thickness ranges from 6 mm-25 mm. Its width x length is about 4 x 8 feet. OSB can cover surfaces with surface materials, such as paper, PVC, melamine. The colors and patterns are the same as Surface on MDF Boards and Surface on Particleboard.

Oriented Strand Board (OSB) is manufactured by Vanachai Panel Industries Company Limited (Subsidiary).

4. Doorskin

Doorskin is manufactured by Vanachai Group Public Company Limited, which is a fiber board product. It is the same as MDF board. The difference is the compression process which Doorskin can be compressed in a variety of form and pattern according to the mold. The doorskin's standard size is 70, 80 and 90 cm. wide, 200 cm. long, 3.5 mm thick.

Doorskin can be further produced as a shutter door. The company that purchases the shutter door skin will be assembled with the door frame and honeycomb paper. It can be used as a substitute for natural wooden doors and has a beautiful pattern with a decent weight and easy-to-installation and maintenance.

5. Laminated Flooring

Laminated Flooring is manufactured by Vanachai Group Public Company Limited. Its production process consists of 4 layers. The Core Layer is the thickest layer made of HDF board, which is produced by grinding wood chips into fibers and mixing them with resin adhesive and pressing them with high heat and pressure. It is a product called HDF Board (High Density Fiberboard), which is resistant to pressure. It is strong and highly durable which can prevent insects and moisture, so there is a problem about distorted or twisted wood. It is covered with a Printed Pattern Layer with different colors and patterns to create colors and patterns on the finished wood flooring. The top is coated with a Wear Layer, which is an overlaying film. This layer will protect against crashes and scratches from application. The bottom layer is covered with Backing Layer, which will be a moisture-proof sheet. This provides greater strength and better moisture protection. All 4 layers are compressed with high pressure and heat, making it firmly attached. It is cut into the required width x length and grooved to make it easier to install without adhesive. The groove is coated with paraffin for moisture-proof efficiency.

The sizes of Laminated Flooring produced and sold are 8 mm. and 12 mm. thick and its width x length is 196 x 1218 mm.

6. Urea Formaldehyde Adhesive

Urea formaldehyde adhesive is a product of Vanachai Chemical Industries Company Limited (Subsidiary). It is used to attach wood fiber and flake to fiberboard and particle board, respectively. Apart from being a binder, urea formaldehyde adhesive also contributes to the strength of wood planks according to the universal properties. Production process starts from transforming methanol through the production process into formaldehyde and mixing it with urea and adding other chemicals. There are many types of urea formaldehyde adhesives produced by subsidiaries of the Company, such as high free formaldehyde, low free formaldehyde with high humidity resistance, etc., so that it can be used for both fiberboard and particle board with various quality as required by customers and the market.

The Company and its subsidiaries manufacture products using machines with appropriate and modern production technology, and continuously improve and develop efficient production processes in order to reduce production costs. There is the testing of product quality during the production process by sampling for physical properties testing, such as density, strength, etc., to ensure that the MDF board meets the specified properties. With such production and quality control systems, the Company can produce MDF boards to meet international standards, including Japanese JIS standards, German DIN standards, U.S. ASTM standards, British BSI standards, making the Company's MDF and particle boards acceptable to international markets. The greater quality of products can build confidence and trust in products for customers. In addition, the Company continuously trains and develops employees, making the Company have capabilities to develop and improve the application of technologies that make its products have high quality and acceptable in accordance with international standards.

The Company recognized the importance of systematic work, therefore, it adopted a quality management system (ISO9001:2015) to ensure quality and process management in the organization, making employees in the organization work systematically. It can be investigated and analyzed for causes when an error occurs. It focuses on correcting and preventing repeated errors. As a result, production costs decrease, and products have more quality. It can also increase domestic and international competitiveness. The work process is constantly improving and developing. In addition, the Company provides the occupational safety, health, and environment management system as required by laws to protect life and property caused by accidents as well as prepares for any potential accidents and emergencies. This is to reduce the damage and losses that may occur and motivate employees to have confidence in the occupational safety in the organization, which will directly affect performances and productivity.

R&D expenditures in the past 3 years

- The Company is constantly improving production and operations in the work process but does not specifically collect expenditure data on this matter.

Rights or restrictions on business operation

Privileges of Investment Promotion

1. Vanachai Group Public Company Limited

1.1) Receiving the investment promotion certificate No. 1434(2)/2015 dated January 26, 2015, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) in the business of laminated flooring production; Privileges and conditions are as follows:

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 100% of investments, excluding land cost and working capital, for a period of 7 years from the date income is first derived from such activity.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the promoted period.



- The Company must establish a factory at Kaeng Khoi Industrial Estate, Saraburi Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup.

The Company earned revenues from such promoted activities on May 6, 2016. Privileges under Investment Promotion Certificate No. 1434(2)/2015 shall expire on May 5, 2024.

1.2) Receiving the investment promotion certificate No. 62-0095-1-04-1-0 dated February 1, 2019, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) in the business of products from by-products or agricultural waste production (excluding those with uncomplicated production procedures), which improves productivity for the use of renewable energy; Privileges and conditions are as follows:

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 50% of investments for improving productivity, excluding land cost and working capital, for a period of 3 years from the date income is earned after receiving the investment promotion certificate.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the period in which the promoted person is exempt from corporate income tax.
- The Company must establish a factory at Kaeng Khoi Industrial Estate, Saraburi Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup.

The Company earned revenues from such promoted activities on February 1, 2019. Privileges under Investment Promotion Certificate No. 62-0095-1-04-1-0 shall expire on January 31, 2022.

1.3) Receiving the investment promotion certificate No. 63-0631-1-04-1-0 dated June 15, 2020, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) in the business of products from by-products or agricultural waste production (excluding those with uncomplicated production procedures), which improves productivity for the use of renewable energy; Privileges and conditions are as follows:

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 50% of investments for improving productivity, excluding land cost and working capital, for a period of 3 years from the date income is earned after receiving the investment promotion certificate.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the period in which the promoted person is exempt from corporate income tax.
- The Company must establish a factory in Chonburi Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup, unless it is authorized by the Board.

The Company earned revenues from such promoted activities on September 4, 2020. Privileges under Investment Promotion Certificate No. 63-0631-1-04-1-0 shall expire on June 14, 2023.

1.4) Receiving the investment promotion certificate No. 64-1410-1-04-1-0 dated December 21, 2021, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) in the business of products from by-products or agricultural waste production (excluding those with uncomplicated production procedures), which improves productivity for the use of renewable energy; Privileges and conditions are as follows:

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 50% of investments for improving productivity, excluding land cost and working capital, for a period of 3 years from the date income is earned after receiving the investment promotion certificate.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the period in which the promoted person is exempt from corporate income tax.
- The Company must establish a factory at Kaeng Khoi Industrial Estate, Saraburi Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup, unless it is authorized by the Board.

The Company earned revenues from such promoted activities on November 22, 2021. Privileges under Investment Promotion Certificate No. 64-1410-1-04-1-0 shall expire on November 21, 2024.

2. Vanachai Chemical Industries Company Limited

Receiving the investment promotion certificate No. 2143(2)/2013 dated August 20, 2013, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) (Melamine Impregnated Paper Project); Privileges and conditions are as follows:

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 100% of investments, excluding land cost and working capital, for a period of 8 years from the date income is first derived from such activity.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the promoted period.
- The Company must establish a factory at Eastern Industrial Estate, Rayong Province. The factory shall not be relocated to other localities within 15 years from the date of operation startup.

The Company earned revenues from such promoted activities on March 1, 2014. Privileges under Investment Promotion Certificate No. 2143(2)/2556 shall expire on February 28, 2022.

3. Vanachai Panel Industries Company Limited

3.1) Receiving the investment promotion certificate No. 60-0043-1-00-1-0 dated January 13, 2017, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) in the business of medium density fiberboard (MDF) production; Privileges and conditions are as follows:

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 100% of investments, excluding land cost and working capital, for a period of 3 years from the date income is first derived from such activity.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the promoted period.
- The Company must establish a factory in Surat Thani Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup.



The Company earned revenues from such promoted activities on October 25, 2018. Privileges under Investment Promotion Certificate No. 60-0043-1-00-1-0 shall expire on August 24, 2021.

3.2) Receiving the investment promotion certificate No. 60-0881-1-00-1-0 dated August 8, 2017, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) in the business of oriented strand board (OSB) production; Privileges and conditions are as follows:

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 100% of investments, excluding land cost and working capital, for a period of 3 years from the date income is first derived from such activity.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the promoted period
- The Company must establish a factory in Surat Thani Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup.

The Company earned revenues from such promoted activities on March 3, 2020. Privileges under Investment Promotion Certificate No. 60-0881-1-00-1-0 shall expire on March 2, 2023.

3.3) Receiving the investment promotion certificate No. 63-0131-1-04-1-0 dated January 28, 2020, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) in the business of products from by-products or agricultural waste production (excluding those with uncomplicated production procedures), which improves productivity for the use of renewable energy; Privileges and conditions are as follows:

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 50% of investments for improving productivity, excluding land cost and working capital, for a period of 3 years from the date income is earned after receiving the investment promotion certificate.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the period in which the promoted person is exempt from corporate income tax.
- The Company must establish a factory in Surat Thani Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup.

The Company earned revenues from such promoted activities on December 18, 2020. Privileges under Investment Promotion Certificate No. 63-0131-1-04-1-0 shall expire on December 17, 2023.

4. Vanachai Energy Industries Company Limited

Receiving the investment promotion certificate No. 62-0676-1-00-1-0 dated June 27, 2019, from the Board of Investment Promotion and privileges under the Investment Promotion Act B.E. 2520 (1977) in the business of generating electricity or electricity and steam from renewable energy (electricity from biomass fuel with a capacity of 9.9 MW), except waste or waste-to-energy; Privileges and conditions are as follows

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 100% of investments, excluding land cost and working capital, for a period of 8 years from the date income is first derived from such activity.

- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the period in which the promoted person is exempt from corporate income tax.
- The Company must establish a factory in Surat Thani Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup.

The Company earned revenues from such promoted activities on September 30, 2021. Privileges under Investment Promotion Certificate No. 62-0676-1-00-1-0 shall expire on September 29, 2029.

(2) Marketing and competition

1. Key Product Marketing Policy

The Company emphasizes on product quality excellence, which is the strategy that the Company mainly focuses on. In addition to the use of modern and efficient machines, all production procedures are controlled, from the quality of the raw materials used in production to the testing of product quality manufactured in all stages, to ensure that the manufactured products meet the specified requirements. In addition, production efficiency is improved to provide the costs that are competitive to competitors.

Moreover, the Company pays attention to good customer services, including on-time product delivery, after-sales service, and application of customers' feedback and comments to improve product defects. The Company has also disseminated knowledge about products and its usage, suggested and solved problems of customers' production on a regular basis.

Main domestic customers include major manufacturers in industries using wood as raw materials, such as construction and decoration industry, furniture industry, and dealers, which mostly are wood construction material stores that have purchased products of Vanachai Group continuously for a long time. The Company also positions itself as an input manufacturer for other industries without competing with customers. Therefore, there is no conflict of interest, resulting in high trust from customers.

International customers are manufacturers in the construction and decoration industry and the furniture industry, which has good knowledge on product and will pay great attention to the quality of products. They purchase products through a dealer or a major importer-exporter.

Distribution and Distribution Channels

The market of main products of the Company and its subsidiaries includes MDF Board, Particleboard, and value-added products, such as Melamine Laminated on MDF Board and Melamine Laminated on Particleboard, Laminated Flooring. There are both domestic and international markets. Most customers will require various product types from the Company or its subsidiary. Therefore, to facilitate customers and to maximize the efficiency of marketing operations, Woodtek International Company Limited, a wholly owned subsidiary, conducts the marketing and distribute products of the Company and other subsidiaries. There are sales agents responsible for contacting and asking customers to acknowledge the required type and quantity of products and informing the Company and other subsidiaries to make the production plan in accordance with the needs of customers. The Company and its subsidiaries will pay commission and service fees for selling MDF Board, Particleboard and Laminated Flooring to Woodtek International Company Limited at the rate of 0.40% of the sales value sold to non-affiliated customers.

Domestic Market

The Company has a direct sales policy, emphasizing on selling products to customers who are manufacturing plants for export and selling through dealers for general customers. To reduce the risk of debt repayment, the Company will focus on selling through customers with sufficient liquidity.

Regarding MDF Board and Particleboard products sold through dealers, most of them are stores selling wood construction materials. The dealer will further sell the products of the Company and its subsidiaries to retail manufacturers, retail customers, and other users.



International Market

MDF Board

The primary market includes Saudi Arabia, the United Arab Emirates, Vietnam, Israel, Egypt and Algeria.

The secondary market includes Jordan, Taiwan, Kuwait, Peru and Qatar.

Both markets have sales agents who are in charge of receiving purchase orders from customers and collecting information of markets and competition.

In other countries, the Company contacts them directly and through dealers in that country to understand and reach the needs of the market.

Currently, product distribution competition for both markets is quite severe according to economic conditions. The Company regularly visits all groups of customers with its agents and dealers who take care of customers. The Company focuses on all groups of customers, users, and importers for furniture manufacturing, construction and decoration industries.

Particleboard

The primary market includes South Korea, Vietnam, Malaysia, Taiwan, Israel, Peru and India. Sales agents of the Company will contact customers to receive purchase orders from them, provide support services, and report market conditions to the Company continuously.

The secondary market includes Philippines and Iceland. Customers will contact and make a purchase order directly with the Company and through dealers, where the Company will acknowledge information about marketing and competition from dealers who meet customers regularly.

In all markets, the Company pays attention to all groups of customers, users, and importers for furniture manufacturing, construction and decoration industries.

The total proportion of the domestic distribution of MDF Board and Particleboard per export of the Company and its subsidiaries is approximately 13: 87.

2. Industrial Conditions and Competition

As a result of the unfolding China-United States trade war, confidence in economic conditions is increasing, resulting in the demand for products of the Company and its subsidiaries in the international market. In addition, the severity of the Covid-19 outbreak decreased in early 2021 as many people in the countries which are the Company's main customers, especially middle eastern countries and the countries that are the Company's customers, have already been vaccinated against Covid-19. As a result, control measures for activities affecting commercial logistics system are relaxed. Export of the Company's products with a significant shrink in 2020 began to increase in 2021, which decreased the severity of competition in the market, especially international market. Therefore, in 2021, the Company and its subsidiaries' total sales revenues increased by approximately 56% and net profit for the year increased by approximately 320%, compared with the year 2020.

Regarding the overview of operating results for the year 2021, the domestic sales volume of MDF Board and Particleboard products increased by 3% and 12% , respectively, while the international sales volume of MDF Board and Particleboard products increased by 27% and 74% , respectively, compared with the year 2020. This was because the international market which was customers of the Company recovered. According to confidence in the growth of the domestic economy, the overall competition in the market decreased. The average sale price of MDF Board and Particleboard products increased by 26% and 27% , respectively, from the year 2020, resulting in an increase of the total sales revenue of 56% from the year 2020.

However, according to the growth in international sales revenue in 2021 of approximately 70% from the year 2020, the demand for the Company's main products, MDF Board and Particleboard, continued increasing based on the continuous growth of the construction industry and real estate sectors in the countries of the Company's customers. As a result, market competition was not severe, and the total sales revenue of the Company and its subsidiaries was likely to increase. In the meantime, the domestic market still slowed down. If the Covid-19 outbreak situation can be controlled and its severity decreases, domestic economic situation recovers, and the construction industry grows, there will be opportunities to grow.

Competitors

In 2021, manufacturers of MDF Board and in the countries that are competitors in the market were as follows:

MDF Board

There are 12 major manufacturers in the MDF Board manufacturing industry in Thailand. The total capacity is approximately 4,650,000 cubic meters per year. The Company Group is one of the major manufacturers with the total capacity of 1,380,000 cubic meters per year, representing 29.68% of the total capacity.

Particleboard

There are 12 major manufacturers in the Particleboard manufacturing industry in Thailand. The total capacity is approximately 4,140,000 cubic meters per year. The Company Group is one of the major manufacturers with the total capacity of 840,000 cubic meters per year, representing 20.29% of the total capacity.

Item	MDF Board	Particleboard
Number of major manufacturers in the industry (person)	12	12
Total capacity of manufacturer in the industry per year (m ³)*	4,650,000	4,140,000
Annual capacity of the Company and its subsidiaries per year (m ³)	1,380,000	840,000
Capacity of the Company and its subsidiaries / Total capacity of manufacturer in the industry (percentage)	29.68	20.29
Capacity utilization rate of the Company and its subsidiaries (percentage)	89.76	66.75

* Capacity of major manufacturers

(Unit: Cubic meters per year)

Manufacturer	MDF Board	Manufacturer	Particleboard
Vanachai Panel Industries Co., Ltd.	1,020,000	Vanachai Panel Industries Co., Ltd.	450,000
Vanachai Group PLC.	360,000	Vanachai Group PLC.	240,000
Advance Fiber Co., Ltd.	510,000	Particle Planner Co., Ltd.	150,000
Panel Plus Co., Ltd.	510,000	Metro Particle Co., Ltd.	1,080,000
Siam Fiber Board Co., Ltd.	450,000	Green River Panel Thailand Co., Ltd.	1,050,000
S.Kijchai Enterprise Co., Ltd.	390,000	Rayong Particle Co., Ltd.	300,000
Metro M.D.F. Co., Ltd.	360,000	Panel Plus Co., Ltd.	270,000
Rayong MDF Co., Ltd.	300,000	Green Panel Co., Ltd.	240,000
Wisewoods Co., Ltd.	240,000	S.P.B Panel Industries Co., Ltd.	150,000
S.P.B Panel Industries Co., Ltd.	210,000	Siam Riso Co., Ltd.	90,000
Siam Riso Co., Ltd.	210,000	S.Kijchai Enterprise Co., Ltd.	60,000
Agro Fiber Co., Ltd.	90,000	Phang-Nga Parawood Co., Ltd.	60,000
Total	4,650,000	Total	4,140,000

Source: Federation of Thai Industries and Company's Survey



(3) Providing Products or Services

1. Products

The Company and its subsidiaries has a location-based factory and capacity as follows:

<u>Company</u>	<u>Factory location</u>	<u>Manufacture products</u>	<u>Capacity (per year)</u>
Vanachai Group	22/1 Banbung-Neinmok Road,Nong E-run, Banbung District,Chonburi	MDF Board Doorskin Wood surface	270,000 Cubic Metres 3,600,000 Sheets 114,000 Cubic Metres
	112 Kaeng Khoi Industrial state,BanThat, Kaeng Khoi District,Saraburi	MDF Board Particleboard Laminated Flooring Wood surface	90,000 Cubic Metres 240,000 Cubic Metres 10,494,400 Square Meters 104,000 Cubic Metres
Particle Planner	22/2 Banbung-Neinmok Road,Nong E-run, Banbung District,Chonburi	Particleboard	150,000 Cubic Metres
Vanachai Panel Industries	115 Moo. 3 ThungLuang, Wiengsra District,Surathani	Particleboard	450,000 Cubic Metres
		MDF Board	1,020,000 Cubic Metres
		Wood surface	198,000 Cubic Metres
		OSB	210,000 Cubic Metres
Vanachai Chemical Industries	10 Soi G-14 Pakornsongkrohraj Road, Maptaphut, Mueng District,Rayong	Urea formaldehyde Impregnated paper	146,000 Ton 65.40 Million Square Meters
PV Wood	22/1 Banbung-Neinmok Road,Nong E-run, Banbung District,Chonburi	Veneer on Board	42.60 Million Square feet

Important Production Policy

The company and its subsidiaries emphasize quality excellence of the products, as well as the product quality consistency. There are controls over every step of the production procedures, from raw materials to tests of the quality of work-in-progress at every step up to the finished products such that the quality of goods is acceptable by customers under competitive costs. The company has a policy to produce by customer order and to produce to ensure approximately 1 month of inventory.

In addition, regarding the emphasis of the production policy and quality work system, the company and its subsidiaries have been certified ISO 9001:2015 Standard for Vanachai Group Public Company Limited, Particle Planner Company Limited, Vanachai Chemical Industries Company Limited and Vanachai Panel Industries Company Limited.

1. Supply of raw materials used in production

There are 4 main raw materials used in production as follows

1. Rubber Wood

The main raw material in the production of MDF board, Particleboard, and OSB is wood chips, which mainly derive from rubber wood supplied in the country. The rubber wood log traders bid for rubber wood at rubber plantations where the rubber tapping ends from rubber planters and cut the rubber tree to sell it. Trunks of large trees are sold to lumber manufacturers and furniture manufacturers. Small trunks and branches, which the price is cheaper, are sold to the Company. In addition, the Company purchased it through intermediaries who pick up woods from any plantations for reselling. The sale price from the source of raw materials is the disclosed market price. Therefore, there is no problem of price gouging from intermediaries. The Company also purchases wood chips remained from wood processing from lumber manufacturers. The time and quantity for purchasing rubber wood will be determined according to the Company's production plan and there is sufficient stock for the production plan. Most of the rubber wood purchased derives from rubber plantations in Rayong, Chanthaburi, and Trat, which are located near the factory. Vanachai Panel Industries Company Limited, located in Surat Thani Province, will buy rubber wood from the southern provinces. The Company can also adjust the production process to use other fiber plants, such as eucalyptus, as raw materials.

2. Adhesive

The most important secondary ingredient from rubber wood is urea formaldehyde glue, a substance that binds plywood fibers. Therefore, it is important for the production process and the quality of the product. Currently, the Company and its subsidiaries purchase glue from Vanachai Chemical Industries Company Limited, a subsidiary of the Company, which applies foreign production technology and develops its own Know How of production to obtain the quality adhesive raw materials that are suitable for raw materials and production processes of the Company and its subsidiaries. In addition, adhesives are purchased from other manufacturers as deemed necessary, since Vanachai Chemical Industries Company Limited cannot produce adhesives in time and the Company wants to compare the quality with other adhesive manufacturers in the market.

The raw material used for producing adhesive, Methanol, is mainly purchased from Bahrain and Malaysia, and Urea is purchased from Qatar (from Traders in Singapore).

3. Doorskin Coating Paint

Coating paint is another important raw material for Doorskin. It is used as a primer to prevent moisture, and for the convenience of customers for painting. The coating used will contain water as an element (Water Borne Latex Paint) which has the appropriate properties for such applications. Currently, the Company purchases such coating from a domestic manufacturer and distributor which has the appropriate properties for applications of the Company.

4. Chemicals

Important chemicals include curing agents, sizing agents, and antifungal and wood preservation agent. The Company will purchase these chemicals from foreign countries or domestic distributors.

Vanachai Chemical Industries Company Limited, which manufactures melamine impregnated paper and melamine impregnated sheet for producing Melamine Laminated on MDF Board, Melamine Laminated on Particleboard, and Laminated Flooring, will purchase printed paper and melamine sheet from foreign countries, namely China, Malaysia and Germany, which are major manufacturers of paper and melamine.

The proportion of domestic raw material purchase per foreign purchase of the Company and its subsidiaries at the end of the year 2021 accounted for approximately 79:21.

(4) Operating Assets

4.1 Main fixed assets of the Company and its subsidiaries

4.1.1 Main fixed assets of Vanachai Group Public Company Limited and its subsidiaries include property, plant, machinery and equipment used for production.

4.1.2 Intangible assets

- Vanachai Chemical Industries Company Limited (Subsidiary) had the royalty fee payment as intangible assets. The nature of transaction was the purchase of machineries and production technologies from foreign manufacturers, which would grant the right to produce and transfer formaldehyde production technology to the Company, provided that the production technology will not be transferred to any third parties.

- Vanachai Group Public Company Limited had the royalty fee payment as intangible assets. The nature of transaction was the purchase of Laminated Flooring production technology, which is the locking system.

4.2 Policy on investment in subsidiaries

The Company has the policy on investment in subsidiaries. The objective is to merge a group of companies engaged in the production and distribution of panel boards to substitute natural wood and related products of Vanachai Group.

4.3 Policy on management in subsidiaries

The Company has a policy emphasizing on allowing subsidiaries to produce quality products with competitive production costs which can support revenues and products distribution within the Group. The Company's executive directors will also be the executive director of subsidiaries in order to establish policies and supervise the operations of subsidiaries in accordance with the specified directions and policies.



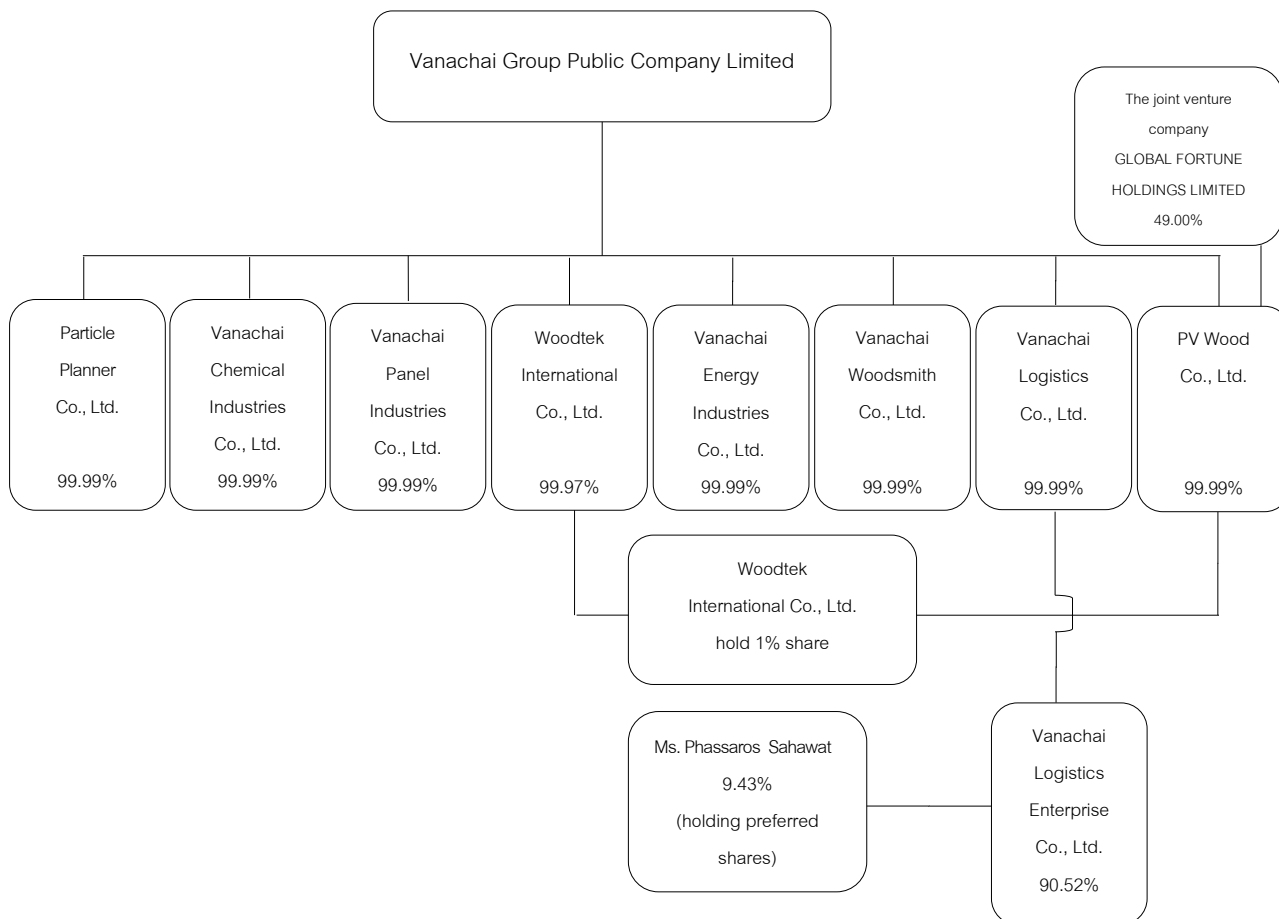
(5) Undelivered work

- There is no undelivered work because the Company recognizes revenue upon delivering goods.

1.3 Shareholding structure of the group of companies

1.3.1 Shareholding structure of the group of companies

The company has a policy to focus on the subsidiary to produce quality products. with competitive production costs can help increase revenue and sales of products within the group. The Executive Directors of the Company will also be Executive Directors of the Subsidiary to be able to set policies and supervise the operations of the subsidiary to be in accordance with the directions and policies set.



Investment in subsidiaries

Company Name / Head Office Location / Tel. / Fax	Type of business	Type of share	Paid-up capital (Million Baht)	Amount of shares sold (share)	Amount of shares held by the company (share)	Proportion (%)	
						shareholding	Right to vote
1. Particle Planner Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Manufacture Particleboard For local and export sales	Ordinary share	250	2,500,000	2,499,993	99.99	99.99
2. Vanachai Panel Industries Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Manufacture Particleboard OSB plywood Particleboard surface MDF board surface For local and export sales	Ordinary share	4,750	475,000,000	474,999,993	99.99	99.99
3. Vanachai Chemical Industries Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Manufacture Resin and Melamine impregnated paper for among the Group sales	Ordinary share	150	15,000,000	14,999,993	99.99	99.99
4. Woodtek International Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Operate marketing business for all products under the Group PCL.	Ordinary share	2	20,000	19,993	99.97	99.97
5. PV Wood Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Production and sales of Laminate veneer For local and export sales	Ordinary share	38	380,000	190,000	50.00	50
6. Vanachai Energy Industries Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Production and distribution of electricity from renewable energy biomass For sales to Vanachai Panel Industries Co., Ltd (the Company's subsidiary)	Ordinary share Ordinary share	601 13	60,100,000 2,400,000	60,100,000 2,399,997	99.99	99.99



Company Name / Head Office Location / Tel. / Fax	Type of business	Type of share	Paid-up capital (Million Baht)	Amount of shares sold (share)	Amount of shares held by the company (share)	Proportion (%)	
						shareholding	Right to vote
7. Vanachai Woodsmith Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Distribution of products of the group companies in the form of integrated wholesale	Ordinary share	200	20,000,000	19,999,997	99.99	99.99
8. Vanachai Logistics Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Business pick-up and delivery of goods within the country. (in process)	Ordinary share	50	5,000,000	4,999,997	99.99	99.99
9. Vanachai Logistics Enterprise Co., Ltd. 2/1 Wongsawang Road, Bangsue, Bangkok Tel. 0 2585 4900-3 Fax. 0 2587 9556	Business pick-up and delivery of goods within the country. (in process)	Ordinary share Preferred shares	4.9 5.1	4,900 5,100	(*1) 4,897	(*1) 48.97	(*2) 90.52

(*1) 4,897 ordinary shares of Vanachai Logistics Enterprise Company Limited (shareholding proportion of 48.97%) was held by Vanachai Logistics Company Limited (a subsidiary of which the Company holds 99.99% of shares).

(*2) The regulations of Vanachai Logistics Enterprise Company Limited require that ordinary shares carry the right to one vote per share and preferred shares carry the right to one vote per 10 shares. As Vanachai Logistics Company Limited holds 4,897 ordinary shares, it has 90.52% of the voting rights (and the Company's voting right proportion is also 90.52%)

1.3.2 Persons with potential conflicts of interest hold shares in subsidiaries or associates exceeding 10% of the number of shares with voting rights

- None -

1.3.3 Relationship with business group of major shareholders

The Company has a major group of shareholders who hold shares in the relevant group of companies and operate the business of producing and selling wood boards to substitute natural wood and related products. The Company and its subsidiaries have several trading transactions with a business group of related companies. The business operations of the companies with relationships with the business group of the major shareholders are in the manner of the dependent and supportive relationship. All trading transactions are normal trades that have a trade agreement with general commercial terms in the same manner as an ordinary person would agree with any general counterparty under similar circumstances. However, to enter into transactions with the related companies or persons with potential conflicts of the Company, the Company shall comply with its policy on related transactions as detailed in Item 9.2, Related Transactions, in order to maintain the rights of shareholders to be fair and for the best interests of the Company and its shareholders.

The related companies have the following nature of business operations:

Company	Type of Business	(%) Shareholding
1. The Vanachai Group of Companies Co., Ltd.	Holding Company	See details in 1.3.4 (b) topic Shareholding
2. Vanachai Intertrading Group Co., Ltd	Holding Company	100% Shareholding by some directors of the Vanachai Group PCL. The list of shareholders and shareholdings is the same to the Vanachai Group of Companies Co., Ltd.
3. Firstwood Co., Ltd.	Office for lease	The Vanachai Intertrading Group Co., Ltd. holds 83.05% shares. The Vanachai Group of Companies Co., Ltd. holds 16.95% shares.
4. Woodland Co., Ltd.	Manufacture Flush and moulded doors	The Vanachai Intertrading Group Co., Ltd. holds 99.99% shares.
5. Vanachai Veneer and Plywood Co., Ltd.	Manufacture plywood and Laminate plywood Board	The Vanachai Intertrading Group Co., Ltd. holds 90.91% shares. The Vanachai Group of Companies Co., Ltd. holds 9.09% shares.
6. Maeyai Co., Ltd.	Manufacture MDF Board with impregnated plywood	The Vanachai Intertrading Group Co., Ltd. holds 80.95% shares. The Vanachai Group of Companies Co., Ltd. holds 19.05% shares.
7. Rich forest Co., Ltd.	Planting Ucalyptus Forest	100% shareholding by some directors of Vanachai Group PCL. and some of the Sahavat Family

Related companies conduct business of wooden board production and distribution in place of natural woodand associated projects with the policy emphasizing ability to produce quality products in related companies with production costs which can compete, support income and product sales in the group.



1.3.4 Shareholders

(1) List of major shareholders

(a) The top ten of shareholders and the amount of shares on the record date as of March 17, 2022

Rank	Shareholders	No. of Shares	% **
*1.	The Vanachai Group of Companies Co., Ltd.	969,379,770	55.864
*2.	The Sahavat Family		
	2.1 Mr.Patta Sahawat	36,000,000	2.075
	2.2 Ms.Phattra Sahawat	36,000,000	2.075
	2.3 Mr.Somprasong Sahavat	36,000,000	2.075
	2.4 Ms.Somjairak Sahavat	36,000,000	2.075
	2.5 Mr.Sittiwat Sahawat	36,000,000	2.075
	2.6 Ms.Nipapat Sahawat	36,000,000	2.075
*3.	The Jaroennawarat Family		
	3.1 Mr.Vasun Jaroenavarat	35,999,999	2.075
	3.2 Mr.Wanthana Jaroennawarat	35,999,999	2.075
*4.	Ms.Yupaporn Boongate	36,000,000	2.075
*5.	Mrs.Siriporn Chaipattanavanich	36,000,000	2.075
6.	Bangkok Bank PCL.	92,764,585	5.346
7.	Sinnsuptawee Asset Management Co., Ltd.	22,806,360	1.314
8.	Mr. Wanchak Kitthanamongkolchai	13,450,000	0.775
9.	Ms. Ranida Kerdnaimongkol	10,700,000	0.617
10.	Other Shareholders	266,136,767	15.334
Total		1,735,237,480	100.00

* Holding shares together approximately 76.61% of total shares

** = Percentage of total number of shares in issue, totaling 1,735,237,480 shares

(b) Details of the shareholders of The Vanachai Group of Companies Co., Ltd. (The Holding Company)

Rank	Shareholders	No. of Shares	%
1.	Ms.Yupaporn Boongate	510,000	10
2.	Mr.Vasun Jaroenavarat	510,000	10
3.	Mr.Wanthana Jaroennawarat	510,000	10
4.	Mrs.Siriporn Chaipattanavanich	510,000	10
5.	Mr.Patta Sahawat	510,000	10
6.	Ms.Phattra Sahawat	510,000	10
7.	Mr.Somprasong Sahavat	510,000	10
8.	Ms.Somjairak Sahavat	510,000	10
9.	Mr.Sittiwat Sahawat	510,000	10
10.	Ms.Nipapat Sahawat	510,000	10
Total		5,100,000	100

% = Percentage of total number of shares in issue

(2) In the case that the Company has a business of holding company

- None -

(3) Agreement between the major shareholders.(Shareholding agreement) on matters affecting the issuance and sale of securities. Or the management of The agreement signed with the company.

- None -

1.4 Number of registered capital and paid-up capital

1.4.1 The Company has registered capital of 1,735,237,480 Baht and paid-up capital of 1,735,237,480 Baht, divided into 1,735,237,480 ordinary shares at the par value of 1.00 Baht per share.

1.4.2 Other types of stock

- None -

1.4.3 Stocks or Convertible Securities

- None -

1.5 Issuance of other securities

- None -

1.6 Dividend payment policy

The dividend payment rate will correspond to the company's policy that would be not less than 40% of the net profit in the fiscal consolidated financial statements. This net profit would be after every legal and company's regulation reserve including accrual of loss (in case). However, all factors including legal, company's financial status, cash flow, current liquidity, conditions, and regulations in every company's contracts, together with, investment plan for both the company and its subsidiaries and any necessary or suitable projects in the future.

For the company's subsidiaries, the dividend payment would not less than 40% of the annual net profit. each year by taking into account various factors, such as legal requirements, financial position, cash flows, liquidity of the Company, terms and conditions of contracts bound by the Company, investment plans of the Company and its subsidiaries, and other necessities and suitability in the future.

Historical Dividend Payment Information

<u>Year</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Earnings Per Share - Consolidated Financial Statements	0.75	(0.36)	(0.78)	(0.24)
Net Earnings Per Share - Separate Financial Statements	0.43	0.07	(0.02)	0.31
Dividend per share rate - Dividend (Baht/share)	0.40	-	-	0.20
Dividend to net profit rate (%) From profit for the year				
- Consolidated financial statements - Shareholders' Equity of the Company	53.65	-	-	(84.43)
- Separate Financial Statements	93.96	-	-	64.33



2. Risk Management

2.1 Risk Management Policy and Plan

The Company operates the business of producing and distributing wood-based panels to sell them to manufacturers and customers in the construction and decoration industries, furniture manufacturing industry in domestic and international markets. Operations related to risks are carried out in terms of changes in the business environment and ever-changing business competition situation that may affect the Company's capabilities to achieve its main goals and missions. The Company believes that the risk management throughout the organization will be an important factor enabling the Company to achieve its business goals, promote the ability to adapt to changes in a timely manner as well as create opportunities for continuous business operations so that stakeholders can receive appropriate returns.

The Board of Directors establishes the policy to supervise effective and effective risk management. The Audit Committee is responsible for reviewing the Company's comprehensive risk management process and risk management that will affect its business, and the achievement of its vision, objectives, goals or operational strategies. The Company has the Executive Committee to supervise the Company and its subsidiaries to provide systematic risk management and assign a responsible person for risk management and monitor and supervise the risk management to be at an acceptable level.

The Company conducts risk management through various operations by focusing on allowing employees at all levels to have knowledge, understanding and awareness of risk management and implementing various actions. The risk management framework is set to correspond with the work processes in the organization to raise awareness of potential uncertainties determine the risk tolerance of the organization and communicate to the related operators for acknowledgement.

2.2 Risk factors to the Company's business operations

2.2.1 Risk to business operations of the Company or Company Group

1. Risk on exchange rate

As the main revenue from sales of the Company derives from the overseas sales which mainly require the trading price in U.S. dollars, in a situation where the foreign exchange rate of Thai Baht against the U.S. dollar fluctuates or appreciates more than the currency of a country with exporting competitors, it will cause the impacts on the Company's main revenues, including competitiveness in international markets.

In addition, the Group also purchases raw materials, machinery parts, and machineries in foreign currency, which will cause the risk form foreign exchange. The Company closely monitors the exchange rate situation and considers using any financial instruments to cope with the risks from the situation of exchange rate fluctuations affecting the Company at that time as efficiently as possible. The Company will enter into an appropriate hedging contract appropriately based on the circumstances. The Company has no policy to hold or issue any financial instruments for the purpose of speculation or trading.

2. Risk on interest rate

As at December 31, 2021, the Company and its subsidiaries have short-term loans and long-term loans from financial institutions lease liabilities for an amount of 10,293.74 million baht, representing 81.50% of total liabilities. The interest rate is determined by the lending financial institutions. Every increase or decrease of 0.25% on the interest rate will cause the Company's interest payment to increase or decrease by approximately 25.73 million baht per year. This would have impact on the Company's profit and cash flow. Therefore, we have carefully considered and compared the data from various financial institutions in order to allow the Company to bear the lowest financial costs.

3. Risk of major shareholders holding more than 75% of total shares

As of March 17, 2022, the family of Sahavat, Jaroennawarat, Boongate and Chaipattanavanich hold 1,329,379,768 shares of the company, totally 76.61% of the total amount of the distributed shares, of the company's stock market. As a result, they are able to manipulate the resolution of the shareholders' meeting in almost matters either the appointment of directors or the approval of other matters having acquired the majority vote; except matters relating to laws or articles of association, which requires at least three quarters vote of the shareholders' meeting. It, thus, may be impossible for other shareholders to gather votes to check and balance the power on the matters proposed by the major shareholders.

4. Risk of production cost

In 2021, the Company implemented the plan to reduce energy costs and the action plan to improve production systems and increase productivity, which can prevent risks and impacts from fluctuations in the price of fuels used as energy in production and electricity costs.

5. Risk of environmental impact

Since the production process of the Company and its subsidiaries may affect communities near the factories, the Company has prevented potential problems by establishing guidelines for implementing and monitoring the environmental management inside and outside the factories, reducing the amount of waste in the production process, avoiding the disposal of scrap/waste outside factories, reducing electricity consumption by initializing the solar projects and installing solar cells on factories and buildings' roofs to reduce electricity consumption, and improving production processes to reduce dust and odors as well as requiring continuous impact measurement to meet the industry benchmarks.

2.2.2 Risks of investment of securities holders

- None -

2.2.3 Risk of investment in foreign securities

- None -



3. Business driving for sustainability

3.1 Sustainability management policy and goals

The industrial philosophy of Vanachai Group is to protect forests. It is what the Company has adhered to as a fundamental principle of systematic and environmentally friendly work since its establishment. The Company has two main objectives and goals as follows:

1. Leadership in wood-based panel industry
2. Leadership in forest conservation

Thailand's leadership in wood-based panel industry, along with leadership in forest resource conservation is the proof showing that Vanachai Group does not only focus on developing production and competition competency, but also recognizes the importance and value of natural resources.

Vanachai Group operates businesses with the awareness of nature and produces and creates quality wood-based panel products. Therefore, the selection and use of Vanachai products does not only obtain quality products, but also the participation in environment protection to maintain sustainable and balanced fertility. Vanachai Group's products are based on the industry with an awareness of nature, forest conservation, and the use of quality production technology to create standardized products on the basis of balanced natural protection.

In addition to the Company's business objectives and goals mentioned above, the work environment in the establishment of the Company and its subsidiaries has been continuously improved to create a good work environment and reduce the environmental impact on employees and surrounding communities. As a result, the Company operates businesses and coexist with the community sustainably.

3.2 Management of impacts on stakeholders in business value chain

3.2.1 Business Value Chain

The nature of business value chain represents the relationships of key stakeholders in activities relating business operations from upstream to downstream. It reflects that the Company is committed to creating value for products and services to meet the expectations of stakeholders for sustainable growth. The Company manages and oversees those directly related to the Company or stakeholders by analyzing stakeholders in the Company's operations, including shareholders, employees, customers, partners and business partners, creditors, communities, government agencies, and competitors.

3.2.2 Analysis of stakeholders in business value chain

The Company is committed to conducting business with virtue and social responsibility based on the principle of creating shared value between the organization and all stakeholders for the mutual benefit in a sustainable manner. The operations are supervised to ensure the compliance with laws and guidelines in the good corporate governance principles so that stakeholders will be protected and treated fairly and appropriately.

Guidelines for treatment of stakeholders is summarized as follows:

Stakeholder Groups	Needs / Expectations	Response to Expectations	Engagement Guidelines
1. Shareholder	<ul style="list-style-type: none"> - Performing the management with transparency based on good corporate governance - Earning profits from operations, sustainably growing, increasing values to shareholders 	<ul style="list-style-type: none"> - Conducting business according to corporate governance principles - Providing systems and internal audits - Providing the anti-corruption policy 	<ul style="list-style-type: none"> - Right to attend shareholders' meetings, nominate persons to be elected as directors in advance prior to the date of shareholders' meeting - Right to receive a fair return, including the right to suggest opinions on the Company's business operations through independent directors
2. Employee	- Human rights	<ul style="list-style-type: none"> - Legal human rights protection - Human rights and labor and international practices on human rights 	<ul style="list-style-type: none"> - Surveys and inquiries - Communicating and receiving information by HR
	- Safety, health and environmental protection	<ul style="list-style-type: none"> - Providing the safety and, occupational health management system and environmental management - Complying with the laws, standards and regulations 	<ul style="list-style-type: none"> - Communicating and campaigning the compliance with safety regulations Cultivating the - Awareness of occupational safety
	- Remuneration	<ul style="list-style-type: none"> - Complying with employment contracts - Paying remuneration that is appropriate and competitive in the industry in line with the Company's performances 	<ul style="list-style-type: none"> - Personnel Working Group
	- Welfare	<ul style="list-style-type: none"> - Providing appropriate welfare to employee - Welfare to assist employees in various cases 	<ul style="list-style-type: none"> - Establishing the Welfare Committee to review and revise welfares in accordance with socioeconomic conditions
	- Knowledge and capability development	<ul style="list-style-type: none"> - Providing professional and technical knowledge and capability trainings 	<ul style="list-style-type: none"> - Annual employee development plan
3. Customer	<ul style="list-style-type: none"> - Responding to the needs of customers in terms of quality, price and punctuality 	<ul style="list-style-type: none"> - Products are certified according to standards. - Customer satisfaction Survey 	<ul style="list-style-type: none"> - Providing the customer service section to give advice on products and services, including consultation, problem solutions, and receipt of complaints when there is any problem regarding application



Stakeholder Groups	Needs / Expectations	Response to Expectations	Engagement Guidelines
4. Partners and Business Partners	<ul style="list-style-type: none"> - Complying with the commercial terms and contracts and commitments made with business partners - Complying with the framework of trade competition with transparency and ethics 	<ul style="list-style-type: none"> - Providing the policy to supervise business partners and complying with the Code of Conduct 	<ul style="list-style-type: none"> - Entering into contracts - Holding meetings with business partners to exchange ideas
5. Creditor	<ul style="list-style-type: none"> - Strictly complying with contracts and agreed terms - Repayment of principal and interest - Supervision of collateral 	<ul style="list-style-type: none"> - Strictly adhering to and complying with the terms of contracts 	<ul style="list-style-type: none"> - Coordination and cooperation with each other
6. Community	<ul style="list-style-type: none"> - Not causing pollution from operations - Communities around the establishment have been developed. - Complying with laws 	<ul style="list-style-type: none"> - There are community agencies to participate in activities and receive advice from the community. 	<ul style="list-style-type: none"> - Promoting and developing communities in any areas, such as development of schools and religious sites - Providing assistance to communities on any occasions
7. Government agencies	<ul style="list-style-type: none"> - Complying with laws and related regulations - Cooperation with government agencies 	<ul style="list-style-type: none"> - There are agencies responsible for overseeing, coordinating, implementing, and complying with laws. 	<ul style="list-style-type: none"> - Listening to suggestions with government agencies - Participating in activities as appropriate
8. Competitor	<ul style="list-style-type: none"> - Treating competitors fairly and honestly in accordance with the framework of competition law 	<ul style="list-style-type: none"> - Not seeking confidential information in a dishonest or inappropriate manner - Not performing actions in violation of the intellectual property of competitors - Not destroying the reputation of competitors by making malicious accusations - Supporting and promoting free trade 	<ul style="list-style-type: none"> - Providing communication channels

Communication Channels of Stakeholder

The Company provides communication channels for stakeholders to express opinions, including whistleblowing in the event that any action that is illegal or goes against the Company's Code of Conduct is found, or in that case that there is any unfair matter in relation to the Company. They can notify such matter through the following channels:

1. By mail, submitting to:
 - 1.1 Chairman of Audit Committee
 - 1.2 Managing Director
 - 1.3 Company Secretary
Vanachai Group Public Company Limited
2/1 Wongsawang Road, Wongsawang, Bangsue, Bangkok, 10800
2. By E-mail, submitting to: auditcommittee@vanachai.com

However, contact information shall be kept confidential. The Company provides the measures to protect whistleblowers or complainants. The investigation will not disclose the complainant or informant's identity. Questions, complaints, and suggestions for correction and improvement shall be summarized for further reporting to the Board of Directors.

3.3 Sustainability management in environmental dimension

3.3.1 Environmental policy and guidelines

The Company is determined and adheres to the basic principles of eco-friendly business operations. The process of operation is disseminated to employees in the organization, including social institutions and communities, to drive society to prosperity under good corporate governance principles in order to achieve virtuous business operations by adhering to the responsibility for all stakeholders for sustainable mutual benefit.

The Company has policies and practices that are in accordance with laws, rules, and regulations on environment, which relate to the business operations of the Company and its subsidiaries. The Company is aware of the importance of eco-friendly business operations, which reduces problems and environmental impacts on nearby communities. It focuses on strategies for the efficient use of natural resources and measures to reduce concrete environmental impacts.

3.3.2 Environmental performances

1. Energy Management

The Company and its subsidiaries manage energy efficiency, both electrical and thermal energy. The capacity of renewable energy consumption has been increased by installing solar rooftop system, totaling 9.3 megawatts. There is a plan to install it in 2 projects, totaling 7.8 megawatts, which will be completed and generate electricity by 2023. The total electricity capacity of power generation system from solar rooftop of the Company and its subsidiaries upon the completion of projects is 17.1 megawatts. The heat caused by the production process can be reused in other necessary manufacturing processes, which is energy saving.



Vanachai Group Public Company Limited, Saraburi Factory
- Electricity Generation from Solar Rooftop Project



Vanachai Panel Industries Company Limited (Subsidiary), Surat Thani Factory
- Electricity Generation from Solar Rooftop Project



2. Water management

The Company and its subsidiaries manage water used in the production process. The water used in production processes is reused as much as possible. All the used water will undergo treatment processes and no water is released directly from the production processes of the factory to not affect the environment and surrounding communities.

3. Management of refuse, waste and pollution

In the Company's production process, scrap wood is used as the main raw material for production. The Company can use scrap wood left over from other industries such as rubber wood scraps using parts of tree branches or small trunks that cannot be processed, or wood scraps leftovers from processing and wood that are pruned by the gardeners, making them need not be burned for disposal which will cause environmental pollution and global warming. The Company has used those wood scraps in the production to the fullest value without leaving it as waste in the production process. Modern production allows production waste such as dust to be reused in the production process, resulting in no waste caused by scrap wood.

The Company has systematically managed refuse and waste in its business processes in accordance with 3R principle (Reduce Reuse Recycle). There is an efficient refuse sorting system along with creating awareness and participation with related parties to reduce disposal of refuse by landfill method. In addition, the Company conducts environmental quality measurements in its offices and around its establishments at least once a year. In 2021, it was found that the standards for air quality, odors, noises, and lighting were within the normal range as required by law and no cases of chemical leaks were found from the Company's business.

4. Management to reduce greenhouse gas problems

The Company is aware of the significance of greenhouse gas problem, which is an important factor that directly affects the environment. It is in the process of studying for preparation of plans to manage and reduce the greenhouse gases arising from the Company's operations.

The main cause of greenhouse gas problems from major enterprises is combustion to generate energy or heat for machinery, the use of vehicles in the corporate transportation system, the use of electricity from power plants that use natural gas, oil, or coal as fuel.

In the production process, the Company emphasizes on the use of machines that use technology that will efficiently use heat to reduce energy wastage. Consequently, the waste of raw materials used in production is reduced hence reducing overall greenhouse gas generation.

The Company and its subsidiaries have projects to reduce electricity consumption from the above-mentioned power plants by installing Solar Rooftop for solar power generation system which will reduce the total amount of greenhouse gas emissions, with the 5 projects as follow:

As of 31 December 2021, 3 projects have been completed and in operation

Location (factory)	Power generation	Reduction of amount of greenhouse gas emissions
1. Saraburi factory (Phase 1)	3.538 MWp	2,200.9 tCO ₂ annually
2. Chonburi factory	2.552 MWp	1,587.5 tCO ₂ annually
3. Surat Thani factory (Phase 1)	3.242 MWp	2,016.8 tCO ₂ annually
Total in operation	9.332 MWp	5,805.2 tCO ₂ annually



In the process of implementing 2 projects

Location (factory)	Power generation	Reduction of amount of greenhouse gas emissions	Scheduled for completion
1. Saraburi factory (Phase 2)	3,328 MWp	2,070.4 tCO2 annually	2022
2. Surat Thani factory (Phase 2)	4,472 MWp	2,781.7 tCO2 annually	2023
Total In progress	7,800 MWp	4,852.1 tCO2 annually	

In addition, the Company and its subsidiaries are studying to change the use of vehicles in factories that use internal combustion engines to use electric vehicles which will be another way to reduce greenhouse gas emissions.

However, the Company intends to reduce the greenhouse gas emissions of the Company and its subsidiaries from its business activities as much as possible in order to reduce impact on the environment for social sustainability and balanced company business.

3.4 Sustainability management in the social dimension

3.4.1 Social policies and practices

The Company operates its business by adhering to social responsibility for all stakeholders for the benefit and coexistence of all parties.

1. Conducting business with fairness

The Company adheres to the principles of fair business practices to all stakeholders, prevents monopoly, abuse of power, manipulation of market competition mechanisms, and conducts business with transparency, protects customer data and privacy, provides fair services strictly within the framework of laws and trade agreements.

2. Anti-Corruption

The Company is committed to operating in accordance with the principles of good corporate governance, with the intent to fight against corruption which may affect decision-making in business operation with bias or embarrassment or in conflicts of interest.

3. Respecting human rights

The Company places importance on respecting human rights by giving importance to all stakeholders for them to have their rights under the relevant laws or in accordance with agreement with the Company. There is a guideline for employees to treat their colleagues and other parties involved equally, do not infringe on the rights of employees, giving employees the right to express their opinions, and the Company encourages employees to be representatives on the Company's various committees, such as the Employee Welfare Committee, the Occupational Safety, Health, and Environment Committee.

4. Fair treatment of labor

The Company attaches importance to human resource management with fairness and non-discrimination. Employees have been developed to prepare for their own and the Company's sustainable growth. There is also appropriate policy to compensate and provide welfare for employees, as well as setting compensation budget that is consistent with the Company's performance. It also promotes environmental and safety management in the employee's workplace.

5. Responsibility to consumers

The Company produces quality products with regard to safety for use, meets the needs of consumers, and is also environmentally friendly, as well as in terms of technology to reduce environmental and social impacts. The Company also improve and develop products and services to meet the needs of consumers.

6. Care for the environment

The Company attaches great importance to environmental protection in its business operations by developing environmentally friendly production processes and services, increasing energy efficiency and using renewable energy by installing Solar Rooftop for solar power generation totaling 9.3 MW that will reduce dependence on electricity generated from power plants that use natural gas, oil, or coal as fuel which consequently help reduce the amount of carbon dioxide emitted into the atmosphere.

7. Community and society development

The Company participates in and supports community development and helps to continually promote the quality of life of the community and society surrounding the Company's and its subsidiaries' establishments.

3.4.2 Social Performance

The Company operates its business by adhering to social responsibility for all stakeholders for the benefit and coexistence of all parties. The Company intends to carry out social activities to give back to society and to increase the quality of life for the community such as

- Donate MDF Boards to improve the Scout Camp of the Srivichai Scout Club Khao Niphan Subdistrict, Wiang Sa District, Surat Thani Province for services for the scouts and boy scouts who come for training.
- During 2021, the Company donated to government agencies for the prevention and control of the coronavirus 2019 (COVID-19) epidemic of the communities surrounding the Company's establishment, which included donating 1,000 camp beds for use in the quarantine facility for asymptomatic patients at government field hospitals in Wiang Sa District, Ban Na San District, and Chai Buri District, Surat Thani Province.



4. Management Discussion and Analysis: MD&A

4.1 Analysis of operations and financial position

Regarding the operating results in 2021, the total revenue from sales of the Company and its subsidiaries amounted to 12,987.7 million Baht, increased by 4,666.6 million Baht from the same period in 2020, or about 56% . The main factors were the unfolding China-United States trade war and the increasing confidence in economic conditions, resulting in the demand for products of the Company and its subsidiaries in the international market. In addition, the severity of the Covid-19 outbreak decreased in early 2021 as many people in the countries which are the Company's main customers, especially middle eastern countries and the countries that are the Company's customers, have already been vaccinated against Covid-19. As a result, control measures for activities affecting commercial logistics system are relaxed. Export of the Company's products with a significant shrink in 2020 began to increase in 2021, which decreased the severity of competition in the market, especially international market. Therefore, in 2021, the Company and its subsidiaries' total sales revenues increased by approximately 56% and net profit for the year increased by approximately 320% , compared with the year 2020.

Analysis of Profit and Loss of the Company and its Subsidiaries

In 2021, the net profit for the year of the Company and its subsidiaries was 1,308.4 million Baht, increased by 1,903.2 million Baht or 320% , compared with the year 2020 with the loss for the year of 594.7 million Baht. The main reasons were as follows:

1. The total revenue from sales increased by 4,666.6 million Baht or approximately 56% from 2020 due to greater demand in international markets. According to the main factors mentioned above, the market competition decreased and sales volumes of MDF Boards and Particleboards increased by approximately 26% and 39% , respectively, from 2020. It was mainly an increase in international sales of 27% and 74% , respectively. Due to the decreasing market competition, the sales price of the main product can be increased. The average selling price of MDF Boards and Particleboards increased by 26% and 27% , resulting in such increase in total sales revenue. The revenue from sales is divided into domestic sales and international sales as follows:

	Unit	2021	2020
Revenue from sales - domestic			
• Sales to general customers	Million Baht	2,124.36	1,832.57
• Sales to related companies	Million Baht	177.72	191.88
Total Revenue from sales - domestic	Million Baht	2,302.08	2,024.45
Revenue from sales - international	Million Baht	10,685.65	6,296.63
Total Revenue from sales	Million Baht	12,987.73	8,321.08
Proportion between domestic sales and export sales		18:82	24:76

2. Cost of sales was 9,746.9 million Baht, increased by 2,437.6 million Baht, due to the increase of the sales volume of MDF Board and Particleboard.

Regarding the return on equity, the company paid dividends for the operating results of the year 2021, 2020 and 2019 as detailed below;

Year performance		2021	2020	2019
Profit for the Year - shareholders of the Company	Million Baht	1,293.78	(590.48)	(1,228.74)
Dividend paid	Baht / share	0.40	-	-
Total Dividend paid	Million Baht	694.09	-	-
Dividend payout ratio *	Percent	53.65	-	-

* Dividend payment rates were in accordance with the Company's policy requiring the rate of dividends of not less than 40% of the net profit of the consolidated financial statements in each accounting period after deducting all kinds of reserves stipulated by laws and the Company, including the accumulated losses brought forward (if any). However, various factors would be taken into account for such dividend payout, such as legal requirements, financial position, cash flow, liquidity of the Company, terms and conditions of contracts bound by the Company, as well as the investment plans of the Company and its subsidiaries, including necessity and any suitability in the future.

On February 21, 2022, the Board of Directors' Meeting passed the resolution to propose the 2022 Annual General Meeting of Shareholders to approve the dividend payment for operating results in 2021 at the rate of 0.40 Baht per share, totaling 694.1 million Baht, representing 53.65% of the profit for the year (profit of shareholders' equity of the Company) of the consolidated financial statements for the year 2021. On September 9, 2021, the interim dividend was paid at the rate of 0.10 Baht per share, amounting to 173.5 million Baht. Therefore, the remaining dividend payment is 0.30 Baht per share, amounting to 520.6 million Baht. Payment is due on May 17, 2022.

Financial Position

Total Assets

Main elements of assets of the Company and its subsidiaries were trade receivables and other receivables, inventory and property, plant, and equipment.

<u>Major Components of Assets</u>	<u>2021</u>	<u>2020</u>
Trade receivable and other receivable	6.87%	4.82%
Inventories	13.70%	11.62%
Property, Plant and Equipment	64.85%	71.12%

As at December 31, 2021, the total asset of the Company and its subsidiaries was 20,041.5 million Baht increased by 1,181.8 million Baht compared with the total asset of 18,859.7 million Baht in 2020. The details of significant increase or decrease of assets were as follows:

1. Cash and cash equivalents increased by 386.1 million Baht.
2. Trade receivable and other receivables increased by 468.2 million Baht.
3. Revenue Department receivable increased by 101.5 million Baht.
4. Inventories increased by 553.3 million Baht due to the increase of finished goods of 561.0 million Baht and raw material of 79.2 million Baht, and the decrease of work in process of 22.2 million Baht, supplies of 36.5 million Baht and goods in transit of 28.2 million Baht.
5. Spare parts for maintenance increased by 16.3 million Baht.
6. Property, plant, and equipment decreased by 417.2 million Baht.
7. Right-of-use asset increased by 72.2 million Baht.
8. Deferred tax asset increased 3.7 million Baht.



Total Liabilities

As at December 31, 2021, the total liabilities of the Company and its subsidiaries were 12,630.9 million Baht, increased by 46.9 million Baht compared with that of 12,584.0 million Baht in the year 2020. The details of significant increase or decrease of liabilities were as follows:

1. Short-term loans from financial institutions decreased by 607.6 million Baht.
2. Trade payables and other payables increased by 583.0 million Baht.
3. Advance income increased by 41.4 million Baht.
4. Corporate tax payable increased by 26.2 million Baht.
5. Long-term loans from financial institutions decreased by 95.3 million Baht.
6. Lease liabilities increased by 77.2 million Baht.
7. Employee benefit obligations increased by 26.9 million Baht.
8. Deferred tax liabilities decreased by 4.4 million Baht.

Shareholders' Equity

As at December 31, 2021, the total shareholders' equity of the Company and its subsidiaries were 7,410.6 million Baht, increased by 1,134.9 million Baht, compared with that of 6,275.7 million Baht in 2020, due to net profit of operating results and the interim dividend payout during 2021.

As at December 31, 2021, the debt to equity ratio was 1.70:1 decreased by 0.31 times compared with that of 2.01:1 in the year 2020. The main reasons were the increase of trade payables and other payables, the decrease of long-term loans from financial institutions and the increase of retained earnings from operating results.

Liquidity

Cash Flow

For the period ended December 31, 2021, the Company and its subsidiaries had cash flow from operating activities of 2,417.3 million Baht, cash flow used in investing activities of 799.0 million Baht and cash flow used in financing activities of 1,232.1 million Baht. The balance of cash and cash equivalents as at December 31, 2021 was 1,481.8 million Baht, increased to 386.1 million Baht from the year 2020. It can be summarized as follows;

1. Net cash from operating activities amounted to 2,417.3 million Baht, increased by 1,982.4 million Baht due to the increase of operating profits before changes in operating assets and liabilities of 2,033.0 million Baht, the increase of operating assets 523.0 million baht and the increase of operating liabilities of 474.6 million Baht.
2. Net cash used in investing activities was 799.0 million Baht, decreased by 391.3 million Baht, due to the decreasing investment of the investment project.
3. Net cash used in financing activities was 1,232.1 million Baht, which was the cash paid increased by 2,712.7 million Baht, due to the increase of cash paid for long-term loans from financial institutions of 383.4 million Baht, the increase of cash paid for lease liabilities of 5.7 million Baht, the increase of cash paid for interest of loans of 16.5 million Baht, the increase of cash paid for dividend of 173.5 million Baht, the decrease of short-term loans from financial institutions of 1,125.7 million Baht, the decrease of cash received from long-term loans from financial institutions of 377.0 million Baht, and the decrease of cash received from capital increase of 630.9 million Baht.

Liquidity Ratio

	2021 time	2020 time	Increase(Decrease)
Liquidity ratio	1.18	1.00	0.18
Quick Liquidity ratio	0.50	0.39	0.11
Cash Flow Liquidity ratio	0.46	0.09	0.37

- The liquidity ratio increased because the current asset increased by 1,525.5 million Baht and the current liabilities increased by 568.1 million Baht.
- The quick ratio increased due to the increase of cash and cash equivalents of 386.1 million Baht, the increase of trade receivables of 419.4 million Baht, and the increase of current liabilities of 568.1 million Baht.
- The cash flow liquidity ratio increased due to the increase of the cash flow from operating activities of 1,982.4 million Baht and the increase of the average current liabilities. The Company had sufficient liquidity for operations and due liabilities repayment.

Profitability Ratio and Efficiency ratio

	2021	2020	Increase(Decrease)
Gross margin rate	25%	12%	13%
Operating profit (loss) rate	12%	-4%	16%
Net profit (loss) rate	10%	-7%	17%
Return on equity rate	19%	-9%	28%
Return on assets rate	7%	-3%	10%

- The profit of the Company and its subsidiaries for the year 2021 increased by 1,903.2 million Baht from the year 2020 (Section: Analysis on Profit and Loss of Company and its Subsidiaries), resulting in the increase of the profitability ratio and the efficiency ratio.

Financial Policy Analysis Ratio

	2021	2020	Increase(Decrease)
Debt to equity ratio	1.70	2.01	(0.31)
Ability to pay of interest ratio	9.13	2.58	6.55
Ability to pay of obligations ratio	0.74	0.19	0.55

- Debt to equity ratio decreased due to the increase of the total liabilities of 46.8 million Baht. The total shareholders' equity increased by 1,134.9 million Baht (the increase of retained earnings from operations).
- Interest coverage ratio increased due to the increase of profit from operating activities of 1,947.4 million Baht and the increase of interest expenses of 22.2 million Baht.
- Debt service coverage ratio increased due to the increase of profit from operating activities of 1,947.4 million Baht and the decrease of short-term liabilities of 82.5 million Baht.



Capital Expenditure in 2021

1. Project of OSB (Oriented Strand Board) Production with the capacity of 210,000 cubic meters a year has been operated by Vanachai Panel Industries Company Limited (Subsidiary) at Surat Thani Factory with the investment budget of 2,000 million Baht. To produce and distribute products in the 4th quarter of the year 2021.
2. Project of Biomass Renewable Energy Power Plant has been operated by Vanachai Energy Industries Company Limited (Subsidiary) at Surat Thani Factory in order to operate the business of electricity generation with the capacity of 9.9 MWh and the investment budget of 600 million Baht. To generate and distribute electricity in the 4th quarter of the year 2021.
3. Project of Plywood Factory Construction with the capacity 60,000 cubic meters per year has been operated by Vanachai Panel Industries Company Limited (Subsidiary) at Surat Thani Factory with the investment budget of 200 million Baht.
4. Project of Lamination Factory Construction of with the capacity of 85,000 cubic meters per year has been operated by Vanachai Panel Industries Company Limited (Subsidiary) at Surat Thani Factory with the investment budget of 150 million Baht.
5. Project of Electricity Generation System from Solar Rooftop (Phase I) of MDF3 Factory and Particle Factory with the installed capacity of 3.24 MW has been operated by Vanachai Panel Industries Company Limited (Subsidiary) at Surat Thani Factory with the investment budget of 95 million Baht.
6. Project of Solar Roof Installation of Particle Factory has been operated by Vanachai Group Public Company Limited at Saraburi Factory with the investment budget of 125 million Baht.

Sources of fund for all 6 projects

Loans from Domestic Financial Institutions.

Long-term liabilities

As of December 2021, company and it subsidiaries have long-term loans as follows;

1. Long-term loan from domestic financial institution (Vanachai Group Plc. - Borrower)

Amount	200.0 Million Baht
Outstanding Balance as of December 31, 2021	Paid in Full
Financial Institution	Bangkok Bank Public Company Limited
Collateral	1. Real estate, Title deed No. 464, proprietary of the Company 2. Machineries in the project for expanding production capacity of Laminated Flooring, Saraburi Factory, Ownership of the company.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 18 to the financial statements under Section 3 Financial Statements.
Other credit term conditions	Maintain the Debt to Equity Ratio according to the consolidated financial statements not exceeding 2.5 to 1

2. Long-term loan from domestic financial institution (Vanachai Panel Industries Co., Ltd. - Borrower)

Amount	800.0 Million baht
Outstanding Balance as of December 31, 2021	Paid in Full
Financial Institution	Bangkok Bank Public Company Limited
Collateral	1. Real estate, machineries, proprietary of Vanachai Panel Industries Company Limited, Particleboard plant (Line 1) in Wiengsra District, Suratthani 2. Machinery used in the production of MDF's (The develop production line, Line PB-1 Particleboard to be MDF Board proprietary of the Company, the mortgage is secured
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements.
Other credit term conditions	Maintain a D/E ratio of not more than 2.50 times throughout the term of the loan agreement.

3. Long-term loan from domestic financial institution (Vanachai Group Plc. - Borrower)

Amount	200.0 Million Baht
Outstanding Balance as of December 31, 2021	96.0 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	Machinery in the project of HDF Veneered Flooring Manufacturing Plant (Saraburi Plant) owned by Vanachai Group Public Company Limited with mortgage-backed security
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements.
Other credit term conditions	Maintain the financial ratio by calculating from the consolidated financial statements and the separate financial statements as follows: 1. Maintain Debt to Equity Ratio not more than 2.50 times. 2. Maintain a DSCR ratio of not less than 1.10 times.

4. Long-term loan from domestic financial institution (Vanachai Group Plc. - Borrower)

Amount	150.0 Million Baht
Outstanding Balance as of December 31, 2021	70.0 Million Baht
Financial Institution	Kasikornbank Public Company Limited
Collateral	Registered Mortgage No. 3, Title Deed No.55869, Ban That Sub-district, Kaeng Khoi District, Saraburi Province.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements.
Other credit term conditions	1. The Company must maintain DSCR ratio of not less than 1.10 times. (Numbers from audited annual consolidated financial statements and tested annually) 2. The Company must maintain Debt: Equity ratio of not more than 2.5 times. (Numbers from audited annual consolidated financial statements and tested annually)



5. Long-term loan from domestic financial institution (Vanachai Panel Industries Co., Ltd. - Borrower)

Amount	2,200.0 Million Baht
Outstanding Balance as of December 31, 2021	1,665.0 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	1. Land and building of the project owned by the Company are used as the loan mortgage. 2. All machinery and equipments of the project owned by the Company.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	Maintain a D/E ratio of not more than 2.50 times throughout the term of the loan agreement.

6. Long-term loan from domestic financial institution (Vanachai Panel Industries Co., Ltd. - Borrower)

Amount	2,000.0 Million Baht
Outstanding Balance as of December 31, 2021	1,940.0 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	1. Land and buildings in the project location company ownership. 2. Machineries OSB project, company ownership by the company are registered as the business contract collateral.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	1. Maintain D/E ratio of not more than 2.5 times during lifetime of the loan. 2. The company shall allow Vanachai Group Pcl. to maintain shareholding ratio of not less than 99.99 percent of paid-up capital during the validity of loan agreement.

7. Long-term loan from domestic financial institution (Vanachai Group Plc. - Borrower)

Amount	750.0 Million Baht
Outstanding Balance as of December 31, 2021	550.0 Million Baht
Financial Institution	Kasikornbank Public Company Limited
Collateral	1. Registered Mortgage No. 3, Land and Buildings, Title Deed No.55869, Land No. 395, Ban That Sub-district, Kaeng Khoi District, Saraburi Province. 2. Registered Additional Mortgage No. 2, Land and Buildings, Title Deed No. 59283, Land No. 431, Ban That Sub-district, Kaeng Khoi District, Saraburi Province as mortgage in Article 1. 3. The machinery and equipment of the project total 34 units are registered as the business contract collateral.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	1. The Company must maintain Debt: Equity ratio of not more than 2.5 times. 2. The Company must maintain DSCR ratio of not less than 1.10 times.

8. Long-term loans from domestic financial institutions (Vanachai Panel Industries Co., Ltd. - Borrower)

Amount	1,300.0 Million Baht
Outstanding Balance as of December 31, 2021	1,201.0 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	1. Property (MDF-1 Plant) with buildings, the ownership of the Company, mortgage registration as a collateral. 2. Machinery (MDF-1 Plant), the ownership of the Company, contract registration, guaranteed by the business collateral.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	1. Maintaining Debt to Equity Ratio of not exceeding 2.50 times 2. Vanachai Group Public Company Limited maintains the shareholding proportion of not less than 99.99% of the Company's issued and paid-up registered capital.

9. Long-term loans from domestic financial institutions (Vanachai Group Plc. - Borrower)

Amount	500.0 Million Baht
Outstanding Balance as of December 31, 2021	475.0 Million Baht
Financial Institution	Kasikornbank Public Company Limited
Collateral	1. Mortgage Registration No. 1, property with buildings on the Title Deed No. 12653 Nong E-run Sub-district, Ban Bueng District (Phanat Nikhom), Chonburi Province 2. Registering business collateral of machinery, location of collateral Nong E-run Sub-district, Ban Bueng District (Phanat Nikhom), Chonburi Province
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	1. Maintaining the DSCR of not less than 1.1 times for the year 2020 - 2024 2. Maintaining the DE Ratio of not exceeding 2.5 times throughout the term of credit limit



10. Long-term loans from domestic financial institutions (Vanachai Group Plc. - Borrower)

Amount	95.0 Million Baht
Outstanding Balance as of December 31, 2021	61.5 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	Registering business collateral of electricity generation with solar energy and equipment
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	Maintaining financial ratios (Consolidated financial statements) as follows; 1. Total Debt to Equity Ratio of not exceeding 2.50 times 2. Debt Service Coverage Ratio of not less than 1.10 times Maintaining financial ratios (Separate financial statements) as follows; 1. Total Debt to Equity Ratio of not exceeding 2.50 times 2. Debt Service Coverage Ratio of not less than 1.20 times

11. Long-term loans from domestic financial institutions (Vanachai Group Plc. - Borrower)

Amount	600.0 Million Baht
Outstanding Balance as of December 31, 2021	600.0 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	1. Land and buildings of the ownership project of Vanachai Energy Industries Company Limited are mortgaged as collateral. 2. Registration of the business collateral agreement, including machineries in project, ownership of Vanachai Energy Industries Company Limited, is the guarantee to the bank.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	Maintaining financial ratio (consolidated financial statements) as follows: 1. Debt to Equity Ratio of not exceeding 2.50 times 2. Debt Service Coverage Ratio of not less than 1.10 times Maintaining financial ratio (separate financial statements) as follows: 1. Debt to Equity Ratio of not exceeding 2.50 times 2. Debt Service Coverage Ratio of not less than 1.20 times

12. Long-term loans from domestic financial institutions (Vanachai Group Plc. - Borrower)

Amount	316.0 Million Baht
Outstanding Balance as of December 31, 2021	307.0 Million Baht
Financial Institution	Kasikornbank Public Company Limited
Collateral	1. Land and buildings with the title deed No. 24495, Nong E-run Sub-district, Ban Bueng District (Phanat Nikhom), Chonburi Province, are mortgaged as collateral. 2. Registration of Business Collateral Act in the category of factory machineries, Chonburi Province, is the collateral.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	1. Maintaining DSCR of not less than 1.1 times and DE Ratio of not exceeding 2.5 times 2. The registered capital increase of not less than 600,000,000 Baht is required by July, 2020

13. Long-term loans from domestic financial institutions (Vanachai Panel Industries Co., Ltd. -Borrower)

Amount	145.0 Million Baht
Outstanding Balance as of December 31, 2021	145.0 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	1. Land Nor.Sor.3Kor., Title Deed No. 357., Khao Niphan Sub-district, Wiangsa District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral. 2. Registration of the business collateral agreement, including machineries, with the ownership of Vanachai Panel Industries Company Limited as the guarantee
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	1. Maintain Debt to Equity Ratio not more than 2.5 times 2. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times



14. Long-term loans from domestic financial institutions (Vanachai Panel Industries Co., Ltd. - Borrower)

Amount	70.00 Million Baht
Outstanding Balance as of December 31, 2021	64.15 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	<ol style="list-style-type: none">1. Land Nor.Sor.3Kor., Title Deed No. 120, 328, 338, 353, 370, 377, 888, 2371, 4464, 4503, Thung Luang Sub-district, Khao Niphan, Wiangsa District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral.2. Registration of the business collateral agreement, including machineries, with the ownership of Vanachai Panel Industries Company Limited as the guarantee
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	<ol style="list-style-type: none">1. Maintain Debt to Equity Ratio not more than 2.5 times2. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times

15. Long-term loans from domestic financial institutions (Vanachai Panel Industries Co., Ltd. - Borrower)

Amount	90.0 Million Baht
Outstanding Balance as of December 31, 2021	85.5 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	<ol style="list-style-type: none">1. Land Nor.Sor.3Kor., Title Deed No. 357, Khao Niphan Sub-district, Wiangsa District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral2. Title Deed No. 13293, 13294, 13295, 13296, 13297, 13334, Khao Niphan Sub-district, Wiangsa District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral.3. Registration of the business collateral agreement, including machineries, with the ownership of Vanachai Panel Industries Company Limited as the guarantee
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	<ol style="list-style-type: none">1. Maintain Debt to Equity Ratio not more than 2.5 times2. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times

16. Long-term loans from domestic financial institutions (Vanachai Panel Industries Co., Ltd. - Borrower)

Amount	95.0 Million
Outstanding Balance as of December 31, 2021	No loans have been withdrawn
Financial Institution	Bangkok Bank Public Company Limited
Collateral	1. Land Nor.Sor.3Kor., Title Deed No. 1198, 1199, 1200, 1201, 1202, 1723, 1724, 1725, 4463, 4468, 4469, 4470, 4597, 4598, 4599, 4600, 4602, 4652, 4655, Thung Luang Sub-district, Wiangsa District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral. 2. Registration of the business collateral agreement, including machineries, with the ownership of Vanachai Panel Industries Company Limited as the guarantee
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	1. Maintain Debt to Equity Ratio not more than 2.5 times 2. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times

17. Long-term loans from domestic financial institutions (Vanachai Group Plc. - Borrower)

Amount	125.0 Million Baht
Outstanding Balance as of December 31, 2021	No loans have been withdrawn
Financial Institution	Kasikornbank Public Company Limited
Collateral	1. Land and buildings No. 4, Title Deed No. 55869, and Securities No. 3, Title Deed No. 59283, Saraburi Province, are mortgaged as the collateral. 2. Registration of the Solar Panel Business Collateral Act, including machinery.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements
Other credit term conditions	1. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times 2. Maintain Debt to Equity Ratio (DE ratio) not more than 2.5 times

18. Long-term loans from domestic financial institutions (Vanachai Group Plc. - Borrower)

Amount	100.0 Million Baht
Outstanding Balance as of December 31, 2021	No loans have been withdrawn
Financial Institution	Export-Import Bank of Thailand
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements



19. Long-term loan from domestic financial institution(Vanachai Panel Industries Co., Ltd. - Borrower)

Amount	50.0 Million Baht
Outstanding Balance as of December 31, 2021	No loans have been withdrawn.
Financial Institution	Export-Import Bank of Thailand
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 16 to the financial statements under Section 3 Financial Statements

- Long-term loans of the Company Group. A floating rate as of December 31, 2021 is between 2.10% - 4.06 %

4.2 Main Factors and Influences with Potential Impact on Future Performance of Financial Status

Because the company and its subsidiaries are in the alternative wooden board production industry with many domestic manufacturers, the company is mainly dependent on domestic sales and exports. In particular, overall production capacity in the industry exceeds domestic demand and is dependent on exports. Therefore, impacts on performance are dependent on trading partner economies which may be impacted by the overall global economy, causing competition in the market, other producers in the market mostly use price policies in marketing. This will cause severe competition, thereby potentially diminishing sale prices with impacts on the company's sales.

Concerning factors with significant impacts production cost gains or losses, the factors consist of wood raw material prices which will be consistent with market demands, the price of resin and natural disasters such as floods in para rubber plantations and rises in oil prices in the world market, which will result in higher prices for raw material costs used in production and higher sales costs. Inability to compensate for costs with product sale prices will result in decreased gross profit for the company.

Furthermore, domestic and foreign cargo transportation cost situations are factors that also influence the company's market competition from influence on sales price specifications to customers.

With regard to long-term loans, all long-term loans of the company and its subsidiaries were made using the baht currency with no risk of fluctuations in exchange rates and floating interest rates. Higher interest rates will have impacts causing higher interest expenses with impacts on future performance or financial status. The company has made thorough and careful financial plans to prevent impacts on the company's liquidity.

4.3 Information from financial statements and key financial ratios

Summary of information from financial statements

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021, 2020, 2019

(Unit : Baht)

	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
Assets						
Current assets						
Cash and cash equivalent items	1,481,774,107.98	7%	1,095,638,921.13	6%	370,584,554.04	2%
Trade and other receivable	1,377,257,219.58	7%	909,027,988.73	5%	974,934,852.06	6%
Revenue Department receivable	218,301,285.50	1%	116,803,881.10	1%	103,194,686.22	1%
Inventories	2,745,048,060.31	14%	2,191,738,696.41	12%	1,745,173,078.04	10%
Maintenance supplies	634,441,045.88	3%	618,155,278.40	3%	600,593,402.19	4%
Total current assets	6,456,821,719.25	32%	4,931,364,765.77	26%	3,794,480,572.55	23%
Non-current assets						
Property, plant and equipment	12,996,331,234.58	65%	13,413,525,980.99	71%	13,197,952,045.90	77%
Right-of-use assets	513,027,594.26	3%	440,847,288.69	2%	-	0%
Intangible assets	13,659,224.08	0%	12,753,953.18	0%	12,159,254.13	0%
Deferred tax assets	57,241,586.74	0%	53,501,730.70	0%	49,609,463.20	0%
Other non-current assets	4,418,045.29	0%	7,743,009.52	0%	11,840,431.98	0%
Total non-current assets	13,584,677,684.95	68%	13,928,371,963.08	74%	13,271,561,195.21	77%
Total assets	20,041,499,404.20	100%	18,859,736,728.85	100%	17,066,041,767.76	100%



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021, 2020, 2019

(Unit : Baht)

	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
<u>Liabilities and shareholders' equity</u>						
Current liabilities						
Short-term loans from financial institutions	2,508,330,105.06	13%	3,115,972,144.59	17%	2,621,423,647.27	15%
Trade and other payable	1,565,417,243.37	8%	982,446,689.80	5%	1,038,372,368.44	6%
Advances received from customers	296,790,650.05	1%	255,369,742.72	1%	58,462,934.59	0%
Current portion of long-term liabilities						
Long-term loans from financial institutions	1,053,900,000.00	5%	507,000,000.00	3%	1,339,500,000.00	8%
Lease liabilities	42,701,257.33	0%	64,452,729.10	0%	-	0%
Income tax payables	26,246,222.09	0%	-	0%	-	0%
Total current liabilities	5,493,385,477.90	27%	4,925,241,306.21	26%	5,057,758,950.30	30%
Non-current liabilities						
Long-term loans from financial institutions	6,206,250,000.00	31%	6,848,500,000.00	36%	5,351,000,000.00	31%
Lease liabilities	482,557,707.14	2%	383,633,453.07	2%	-	0%
Employee benefit obligations	424,717,435.37	2%	397,846,448.39	2%	391,438,384.02	2%
Deferred tax liabilities	18,720,576.40	0%	23,136,216.25	0%	19,761,984.51	0%
Other non-current liabilities	5,238,063.11	0%	5,664,510.70	0%	3,832,091.35	0%
Total non-current liabilities	7,137,483,782.02	36%	7,658,780,628.41	41%	5,766,032,459.88	34%
Total liabilities	12,630,869,259.92	63%	12,584,021,934.62	67%	10,823,791,410.18	63%

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021, 2020, 2019

(Unit : Baht)

	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
Shareholders' equity						
Share capital						
Authorized share capital						
1,567,006,952 ordinary shares @ Baht 1.00	-		-		1,567,006,952.00	
1,790,865,001 ordinary shares @ Baht 1.00	-		1,790,865,001.00		-	
1,735,237,480 ordinary shares @ Baht 1.00	1,735,237,480.00		-		-	
Issued and paid-up share capital						
1,567,006,876 ordinary shares @ Baht 1.00	-		-		1,567,006,876.00	9%
1,735,237,480 ordinary shares @ Baht 1.00	1,735,237,480.00	9%	1,735,237,480.00	9%	-	
Premium on ordinary shares	1,482,634,161.00	7%	1,482,634,161.00	8%	1,020,000,000.00	6%
Retained earnings						
Appropriated						
Legal reserve	173,523,748.00	1%	162,136,232.41	1%	156,700,695.20	1%
Unappropriated	3,965,843,467.20	20%	2,856,978,005.64	15%	3,455,572,078.56	20%
Total shareholders' equity of the Company	7,357,238,856.20	37%	6,236,985,879.05	33%	6,199,279,649.76	36%
Non-controlling interests of subsidiaries	53,391,288.08	0%	38,728,915.18	0%	42,970,707.82	0%
Total shareholders' equity	7,410,630,144.28	37%	6,275,714,794.23	33%	6,242,250,357.58	37%
Total liabilities and shareholders' equity	20,041,499,404.20	100%	18,859,736,728.85	100%	17,066,041,767.76	100%



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 31 December 2021, 2020, 2019

(Unit : Baht)

	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
Revenue from sales	12,987,726,923.22	100%	8,321,079,367.27	100%	9,440,277,423.37	100%
Cost of sales	(9,746,924,940.53)	(75%)	(7,309,289,357.03)	(88%)	(8,792,047,587.97)	(93%)
Gross profit	3,240,801,982.69	25%	1,011,790,010.24	12%	648,229,835.40	7%
Gain from exchange rate	53,937,930.61	0%	40,144,358.59	0%	83,316,154.38	1%
Other income	2,616,681.51	0%	21,417,619.44	0%	20,431,406.12	0%
Selling and distribution expenses	(1,198,998,635.61)	(9%)	(947,938,039.39)	(11%)	(1,227,912,609.71)	(13%)
Administrative expenses	(310,150,324.28)	(2%)	(366,518,653.69)	(4%)	(415,607,371.62)	(4%)
Loss from exchange rate	(58,267,312.05)	0%	-	0%	(439,842.42)	0%
Management benefit expenses	(106,850,408.06)	(1%)	(83,248,102.26)	(1%)	(86,589,942.99)	(1%)
Profit (loss) from operating activities	1,623,089,914.81	12%	(324,352,807.07)	(4%)	(978,572,370.84)	(10%)
Finance cost	(291,996,085.17)	(2%)	(269,834,741.78)	(3%)	(255,781,896.86)	(3%)
Profit (loss) before income tax	1,331,093,829.64	10%	(594,187,548.85)	(7%)	(1,234,354,267.70)	(13%)
Income tax revenues (expenses)	(22,654,731.59)	0%	(534,226.03)	0%	4,750,932.28	0%
Profit (loss) for the year	1,308,439,098.05	10%	(594,721,774.88)	(7%)	(1,229,603,335.42)	(13%)
Profit (loss) attributable to:						
Shareholders of the Company	1,293,776,725.15	10%	(590,479,982.24)	(7%)	(1,228,739,590.66)	(13%)
Non-controlling interests of the subsidiaries	14,662,372.90	0%	(4,241,792.64)	0%	(863,744.76)	0%
Profit (loss) for the year	1,308,439,098.05	10%	(594,721,774.88)	(7%)	(1,229,603,335.42)	(13%)

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 31 December 2021, 2020, 2019

(Unit : Baht)

	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
Other comprehensive income						
Actuarial losses arising from defined benefit plan	-	0%	-	0%	(11,164,553.00)	0%
Income tax relevance with other comprehensive income	-	0%	-	0%	2,232,910.60	0%
Other comprehensive income for the years-net of income tax	-	0%	-	0%	(8,931,642.40)	0%
Total comprehensive income for the year	1,308,439,098.05	10%	(594,721,774.88)	(7%)	(1,238,534,977.82)	(13%)
Total comprehensive income attributable to:						
Shareholders of the Company	1,293,776,725.15	10%	(590,479,982.24)	(7%)	(1,237,674,596.42)	(13%)
Non-controlling interests of the subsidiaries	14,662,372.90	0%	(4,241,792.64)	0%	(860,381.40)	0%
Total comprehensive income for the year	1,308,439,098.05	10%	(594,721,774.88)	(7%)	(1,238,534,977.82)	(13%)
Basic earnings (loss) per share (Baht/share)	0.75		(0.36)		(0.78)	



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOW (SUMMARY)
For the year ended 31 December 2021, 2020, 2019

(Unit : Baht)

	2021	2020	2019
Net cash received from operating activities	2,417,271,712.26	434,868,733.31	602,973,402.81
Net cash used in investing activities	(799,031,275.11)	(1,190,363,958.61)	(1,671,411,117.58)
Net cash received from (used in) financing activities	(1,232,105,250.30)	1,480,549,592.39	993,810,402.22
Cash and cash equivalent items increase(decrease)-net	386,135,186.85	725,054,367.09	(74,627,312.55)
Cash and cash equivalent items at the beginning			
of the year	1,095,638,921.13	370,584,554.04	445,211,866.59
Cash and cash equivalent items at the end of the year	1,481,774,107.98	1,095,638,921.13	370,584,554.04

Financial Ratio

consolidated financial statements				
		2021	2020	2019
<u>LIQUIDITY RATIO</u>				
Liquidity Ratio	times	1.18	1.00	0.75
Liquidity Quid Ratio	times	0.50	0.39	0.25
Cash flow liquidity ratio	times	0.46	0.09	0.12
Trade receivable turnover ratio	times	12.23	9.45	10.28
Average collection period	days	30	39	36
Finished goods turnover ratio	times	5.87	6.26	7.88
Average selling time of finished good	days	63	59	47
Inventory turnover ratio	times	3.95	3.71	4.55
Average sale period	days	93	99	81
Trade payable turnover ratio	times	21.42	16.94	18.65
repayment period	days	18	22	20
Cash Cycle	days	105	116	97
<u>PROFITABILITY RATIO</u>				
Gross margin rate	%	25	12	7
Operating margin rate	%	12	(4)	(10)
Cash to profit ratio	%	149	(134)	(62)
Net profit rate	%	10	(7)	(13)
Return on equity rate	%	19	(9)	(18)
<u>EFFICIENCY RATIO</u>				
Return on assets rate	%	7	(3)	(7)
Return on fixed assets rate	%	18	3	(2)
Turnover asset ratio	times	0.67	0.47	0.56
<u>FINANCIAL POLICY RATIO</u>				
Debt to equity ratio	times	1.70	2.01	1.73
Ability to pay of interest ratio	times	9.13	2.58	0.17
Interest-bearing debt to earnings before interest expense, income tax, depreciation and amortization ratio	times	3.86	15.67	217.66
Ability to settle obligations (cash basis)	times	0.74	0.19	0.01
Dividend Payout ratio	%	13.41	-	12.75



5. Corporate Information of Company and Its Subsidiaries Companies

5.1 General information

Securities Registrar

Company name : THAILAND SECURITIES DEPOSITORY COMPANY LIMITED
Location : 93 Rachadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel. : 0 2009 9381
Fax. : 0 2009 9001

Company auditor

Company name : SAM NAK-NGAN A.M.C. COMPANY LIMITED
Location : 4th Unit, 19th Floor, Silom Complex Building, 191 Silom Road, Bangrak, Bangkok
Tel. : 0 2231 3980-7
Fax. : 0 2231 3988
Auditor name : Mr. Ampol Chamnongwat CPA. No. 4663 or
: Mr. Naris Saowalagsakul CPA. No. 5369

5.2 Other material facts

- None -

5.3 Legal Disputes

- None -

5.4 Secondary market

- None -



Corporate Governance

- Corporate governance policy
- Corporate governance structure and material facts related to the board, subcommittees, executives, employees and others
- Report on key operating results related to corporate governance
- Internal control and related party transactions

Part 2
Corporate Governance

6. Corporate Governance Policy

The Board of Directors has considered and adopted the principles of good corporate governance for listed companies in 2017 to be in consistent with the Company's operations as follows:

6.1 Overview of Corporate Governance Policy and Guidelines

6.1.1 Policies and Guidelines relating to the Nomination and Remuneration Committee, Directors and Executives, Independence of the Board of Directors from the Management, Director Development, Evaluation of Directors' Performance of Duties, and Supervision of Subsidiaries and Associates

The Board shall be involved in the determination of the Company's vision, mission, strategy, goals, business plan and budget as well as supervise the Management to perform operations in accordance with the specified business plan and budget effectively and efficiently in order to maximize economic value for businesses and stability for shareholders.

The Board of Directors shall provide the Company with an internal control system, internal audit, and effective risk management measures, and regularly monitor the implementation of such matters at the Board of Directors' Meeting.

The Board of Directors shall consider the determination and separation of roles, duties and responsibilities among the Board of Directors, the Audit Committee, and the Management clearly, and communicate such roles, duties and responsibilities to the directors. The Management, and employees of the Company regularly.

The Board of Directors shall supervise the Management to perform the management in accordance with clearly defined policies. This shall not include any transactions with conflicts or interests and transactions that require the opinion of shareholders in accordance with the requirements of the SEC Office and the Stock Exchange of Thailand.

Recruitment of Directors and Executive

The company does not have a nominating committee to appoint the directors. According to the company's Articles of Association, directors are selected by the Board of Directors to propose for approval which qualified and not disqualified under section 68 of the Companies Act B.E. 2535.

The company's Board of Directors composes of at least 5 directors and more than half of the directors must be residents of Thailand. Company's directors must be qualified according to the law.

Directors are selected via a shareholders' meeting there are rules and procedures as following.

1. Each shareholder has the number of votes equivalent to the number of shares held. One share equals one vote.
2. In voting for the election of directors. The voting individually. Total votes cast by the shareholders they have a person who has been nominated as members one by one.
3. The person receiving the most votes respectively down. Are elected as directors up to the number of directors to be elected at that time. In the case of a person who was elected in descending order have equal votes, The Chairman of the meeting as an additional vote as the casting vote.

The general meeting of shareholders, the directors retire each year, 1 in 3 if the number of directors to be divided into three parts to match it. Then the number nearest to 1 in 3 by the directors retiring by rotation may be selected.

In case there is a vacancy for a director position due to a reason other than completing his/her term, the committee shall consider appoint a qualified person without any legal incompatibilities to replace the position who will be attending the next committee meeting. Except for the fact that the remaining term of such a director is for less than 2 months, the newly appointed director will be in the position only for the remaining term of the director replaced. Nonetheless, the committee's resolution on the appointment of a person in replacement must obtain votes at least 3 out of 4 times of the remaining number of directors.

Beside the annual retirement, the directors may be retired by:

1. Death
2. Resign
3. Lack of qualification or process characteristics prohibited by laws
4. The shareholders' resolution to resign
5. Court order to resign

The shareholders meeting may pass a resolution removing any director from the board prior to the tenure of the director. The retirement issue resolution must receive at least three quarters of the votes from shareholders who attends the meeting and have the right to vote, and the total numbers of shares must be counted not less than half of the shares holding by the shareholders attending the meeting and having the right to vote.

Remuneration of Directors and executives

The Board of Directors has considered the remuneration for each director according to the duties and responsibilities comparing to the remuneration information of the same revenue scale companies, registered in the Stock Exchange of Thailand. Thus the company will have adequate information for consideration the director's remuneration and also has been approved in the shareholder meeting.

The compensation to management adheres to the principles and policies set out by the Board of Directors, is tied to the performance of the company and of each management members.

Currently, the company has no remuneration committee, but there is the procedure to consider on the proper remuneration based on reliable information acquired on similar size in the same industry and results the company's performance, consideration.

Directors who hold the position of director in subsidiaries shall not receive remuneration as a director of subsidiaries.

Independence of the Board of Directors from the Management

The Chairman of the Company is not an independent director as the Company's business requires capable and experienced leaders with knowledge and understanding in business administration. Although the Chairman of the Company is not an independent director, the Company provides sufficient internal control system and mechanism for balancing power and transparency based on the good corporate governance and also performs duties by always taking benefits of stakeholders into consideration.

The Chairman is not the same person as the Managing Director to discriminate responsible for corporate governance policy and routine administration.

Directors and management skill development

The company's board has a policy to develop the skill of the directors and management, by attending Director Accreditation Program (DAP) of Thai Institution of Directors Association (IOD) to understand their responsibilities, company's operations and business direction especially for the appointment of new director.

Self-evaluation of the Board of Directors

The Board of Directors shall conduct the self-evaluation at least once a year, referred to the Directors' self-evaluation performance Form developed by The Stock Exchange of Thailand. Such self-evaluation could help individual directors review their performance for the previous year. The result of performance appraisal will be analyzed their capabilities and suggestion will be useful to make further improvement and development.



Governance Operations of Subsidiaries and Associated Companies

The company controls and regulates its subsidiaries in the preparation of related items, acquisition or distribution of assets, or the preparation of other key items of the subsidiaries to ensure accuracy and the use of principles related to disclosure of information and preparing the aforementioned items that is consistent with the company's principles. In addition, such control requires collection of data and accurate book-entry of the subsidiaries, enabling auditing by the company and on time gathering of data for the preparation of the consolidated financial statements.

6.1.2 Policies and Guidelines relating to Shareholders and Stakeholders

Compliance with the principles of good corporate governance

(1) Rights of Shareholders and Equitable Treatment of Shareholders

The company recognizes and respects for the right of all individual shareholders. A common shareholder meeting shall be held at least once a year as required by the applicable law.

In 2021, the Company held the Annual General Meeting of Shareholders for the year 2021 on May 17, 2021, which was the electronic meeting (E-AGM), due to the Covid-19 outbreak at the conference room of Vanachai Group Public Company Limited, No. 2/1 Wongsawang Road, Wongsawang, Bangsue, Bangkok.

Before the Shareholder Meeting

The Board of Directors will be responsible for scheduling the annual shareholder meeting, /extraordinary shareholder by specifying the date for determining the list of shareholders entitled to attend the shareholders' meeting as required by law, and inform the shareholders of the Directors' resolution, the meeting agenda has been assigned via electronic channel of The Stock Exchange of Thailand.

Due to the Covid-19 outbreak, the Company held an electronic meeting (E-AGM). The Company had informed the guidelines for attending the electronic shareholders' meeting (E-AGM) and proxy through the media of the Stock Exchange of Thailand and the Company's website to shareholders wishing to attend the meeting.

The Company provided the registration for E-AGM form which required the shareholders to fill in information completely and specify an E-mail and mobile phone number clearly for registering for the meeting and attach a copy of the proof of identity of the shareholders and proxies (in the case of proxy). When the Company received the form from the shareholders, the Company would inspect documents to verify the right to attend the meeting. Once the right inspection was approved, the Company would send the username, password, and the Web Link for logging in to the E-AGM and send the file of E-AGM instruction manual to shareholders or proxies via provided E-mail.

At annual shareholder meeting / extraordinary shareholder the invitation letter of meeting detailing the agenda will be sent, including the Directors' comments on each session and meeting document, appoint the independent director as proxy to act for the shareholders in the meeting in case of the absence of the shareholders. The meeting invitation letter in both Thai and English version with detailed information will be managed, and meeting topics are specified to be approved or submitted as the case may be, and the directors' comments on such respective topics, a list of a director who retire upon the expiration of term and will have been re-nominated, the profile of the Independent Director who has been appointed to be the proxy and proxy form (Type Khor) as of the Ministry of Commerce. This is to allow the shareholders who absent the meeting can assign any one or independent director to attend the meeting and vote in case of their absence. The Thailand Security Depository Co., Ltd. as share registrar of the company will be responsible for mailing the invitation letter to shareholders which names on the list of shareholders with the right to attend the shareholders' meeting 7 days in advance prior to meeting. In addition, the annual shareholder meeting will be publicized through the Thai daily newspapers for sequentially 3-day period and no less than 3 days before the meeting starts.

In 2021, the Company has given shareholders the opportunity to propose meeting agendas in advance and nominate a person to be elected as a director during the period of 1 Oct. 2020 - 31 Dec. 2020, but none of the shareholders proposed the matter for consideration.

On the date of the Shareholders' Meeting

The Company held the meeting by equally facilitating all shareholders who attend the meeting. Electronic Meeting System would be available for registration 120 minutes before the commencement of the meeting and continue until the meeting is adjourned. Officers were assigned to help solve any problems in the case that shareholders encountering problems of accessing meeting system and voting system.

The 2021 Annual General Meeting of Shareholders consisted of 6 shareholders authorizing independent directors, who are proposed by the Company as proxies, to vote on behalf of them.

During the shareholder meeting, all shareholders will be granted a right equally. Before the meeting, the Chairman of the Board assigns the company's secretary to conduct the meeting, informing the information meeting quorum, the voting process of the shareholders and the resolution process for each agenda according to the voting regulation, the vote counting by the use of the vote card for each agenda and the transparent disclosure of the counting vote of each agenda and allow all the shareholders to express their enquiries, opinion or any comments upon each agenda and appropriate schedule time for discussion. The meeting proceeds according to the sequential agenda and no additional topic will be included without prior notice. All questions will be replied precisely and straight forwards to that agenda then making the resolution and vote counting of each agenda especially in electing the director, each vote will be counted individually. The Company allows registering shareholders to attend the meeting after it had commenced and have the right to vote on the agenda that are being considered and has not resolved yet.

In the 2021 Annual General Meeting of Shareholders, there are 15 directors, attended the meeting 14 members. The Chairman of the Company, managing director, high level executives, Chief Financial Officer (CFO) and the Company's auditors attended the meeting to clarify inquiries of shareholders on any matters and financial reports of the Company.

After the Shareholder Meeting

After finishing the meeting, the company made a conclusion and informed all the shareholders the meeting resolution via electronic channel of The Stock Exchange of Thailand and send the meeting report, recording all the meeting details including the votes, shareholders' enquiries of each agenda to The Stock Exchange of Thailand 14 days after the meeting date.



(2) Treatment of Stakeholders

The Company establishes the policy on stakeholders and rights of all groups of stakeholders with details as follows;

- Employee : The Company treats all employees equally and fairly and provides appropriate benefits.
- Partner : The Company purchases products and services from partners according to trading conditions, and also complies with agreements with partners.
:The Company complies with loan conditions.
- Creditor : The Company complies with loan conditions.
- Customer : The Company pays attention to and is liable for customers. It applies new innovation to develop and manufacture products with quality and standard, and maintains confidentiality of customers. There are agencies or individuals responsible for receiving complaints of customers in order to take actions for customers immediately.
- Competitor : The Company complies with rules of good competition, maintains the norms of good competition and avoids dishonest methods to destroy competitors.
- Community and Society : The Company operates business with responsibility towards environments of communities and societies.

However, the Company complies with requirements of related laws and regulations so that all concerned individuals and stakeholders are treated well.

Regarding the treatment of the Company's employees, the Company establishes the policy on treatment of employees. Its objective is to allow employees to have good quality of life and good, safe and proper working environment. Work manuals, especially safety are prepared. There is the Safety Committee to monitor and inspect conditions and procedures, provide advices, improve working environments and procedures for safety and appropriateness, create awareness of safety to employees, provide and conduct training plans specified in each year, comply with operating manuals for safety strictly, and provide personal safety equipment, such as safety shoes, noise, dust, chemical protective equipment, etc., for operations that have risks on safety. In addition, the Company also provides group accident insurance to all employees.

(3) Handling of the Use of Internal Information

The company has a policy relating the management of internal information with strict compliance and only those relevant shall be informed. Reporting or distribution of internal information shall only apply to assigned individuals. Every director and executive of the company acknowledges the duties and responsibilities that internal information should not be used for own benefits. Executives are required to report changes in securities holdings to the Securities and Exchange Commission according to Article 59 of Securities and Exchange Act B.E. 2535 within 3 days from the date that the changes in securities holdings take place, and inform the company's secretary in order to record such changes and summarize the amount of securities held by the committee and executives individually for the Board of Directors to acknowledge in the next meeting. Moreover, there are penalty clauses for the violation or breach of such requirements, and executives or informed agencies are not permitted to disclose internal information to outsiders or unrelated individuals. In every meeting of the Board of Directors, the secretary of the company shall request each director to check their number of shares held for accuracy.

(4) Conflict of interest

To preempt a situation potentially leading to conflicts of interest, the Board of Directors has been watchful on high-risk transactions and has outlined a policy and measure to prevent the management and related parties from the use of insider information for personal benefits, details as follows:

-Transactions with potential conflict of interest

The Board of Directors is aware of all transactions with conflict of interest as well as related-party transactions, and has taken the arm's length approach in terms of price and conditions pursuant to the SET regulations. Details of all related party transactions have been disclosed with regards to value, counterparty, reason and necessity in the annual report and the form 56-1.

In principle, the company shall approve the trade agreement with general trading condition when transaction provides the trade agreement in manner that the ethic person should behave with the contract partners in the same situation. Namely, the bargaining power must void the influence as member of the Board, executives or related persons. Additionally, the company shall summarize the report that transaction size is beyond 500,000 baht and report at the meeting of the Board of Directors on quarterly basis.

(5) Corporate Social Responsibility

Corporate Social Responsibility refers to the implementation of internal and external activities of the Company which are mainly considered the social impact in the short and long approach, as well as the responsible utilization of existing resources inside or outside the organization, so that people can live together in the society peacefully and the Company will operate business successfully and sustainably in the long run.

The company's business is to produce wood board that is an alternative to natural wood. Wood is being used in manufacturing process. The company use wood that is left over from other industries such as rubber wood from small tree limb or stem that cannot be processed or leftover from the process and trimmed limb, so they do not have to be disposed by burning which could cause pollution to environment and global warming. The company tries to utilize those wood in manufacturing process by producing no waste in the process. The utilization of advance manufacturing process results in reuse of production waste such as dust. No waste occurred from wood scraps. Heat from manufacturing process can be partially reused in other relevant manufacturing process. This results in reduced electricity expense and cost reduction. Waste generated from the production process are disposed by standard practice with no effects to environment and nearby society.

The company has started the solar power rooftop project at Saraburi factory and Suratthani factory (subsidiary company) to save energy and reduce pollution.

The Company also has the following CSR guidelines:

Fair Business Operation

Fair business operation always brings about the confidence of related persons and stakeholders which cause the positive effect to the business in the long term. The Company implements the following procedures:

1. Avoiding any operations possibly causing conflict of interests, disclosing complete and sufficient information for the transparency of the business operation.
2. Avoiding any act of favoritism or accomplice which is unfair to stakeholders, such as, customers.
3. Complying with the Holes and good competition, maintaining the standards of competition practices, avoiding dishonest methods to destroy competitors.
4. Keeping partners' trade secret, not utilize it for company's benefit or other related persons illegally.



5. Building the relationship and good cooperation to develop the company's products with the partners for enhancing potential and efficiency in the long term business cooperation.

6. Not supporting the infringement of intellectual properties or copy rights of any individuals.

7. Purchasing products and services from business partners according to the trading conditions, and complying with the contract with business partners.

8. Strictly following the conditions of loan borrowing from financial institutes.

Respecting Human Rights and Fair Labor Practice

Human resources are the major factor of the business for creating added value and production. As a result, the Company improves the working environment and conditions so that the life quality of all employees will be better and they will have a chance to show their competencies and enhance their working skills by attending the training for the purpose of their occupational progresses. The Company implements the following procedures:

1. The Company does not support the labor force but legally employs foreign employees and provides the similar remuneration and welfares.

2. The Company establishes the working manuals for each aspect, especially occupational safety and health. In addition, the Safety Committee is set up to follow and inspect working conditions and procedures, give advices, improve safe and appropriate working environment and working procedures, foster the awareness of safety to employees, provide and organize the training plans annually, supervise the strict compliance to the safe working manual, provide the personal protective equipments, such as, safety shoes, hearing, dust, and chemical protection equipments, and etc. for the risk operations. Furthermore the Company also provides the group accident insurance for all employees.

3. Developing, training, and enhancing competencies of employees, offering chances to employees to learn and attend by the training both within and external trainings for gaining new knowledge and applying it to their works and duties, promoting employees to the higher job positions when there is vacancy of suitable positions.

4. Providing the policy of remuneration for employees and regularly reviewing returns in line with the labor market so that all employees will receive the suitable compensation based on their competencies and performances.

5. Providing benefits for employees who needs to borrow a housing loan. The Company is able to provide the loan source with low interest rate and made an agreement with 3 financial institutions for the benefits of employees who intend to borrow a loan for purchasing, land, building, adding, and redeeming residential houses, for quality of life improved.

6. Providing important information relating to the operating results and actual circumstances of the Company to employees and representatives so that they will be ready to prepare and handle with prospect situations.

Responsibility to Consumers

The Company manufactures products based on its standard and regularly improves the production system so that the standard of products is greater and the products have no risk or hazard to consumers. The Company operates the following procedures:

1. Manufacturing safe and environmentally-friendly products which cause no hazard to consumers, providing the purchase return service in case of having any problems, and resolving problems urgently and reporting to consumers

2. Safely keeping information of consumers, and prohibiting the disclosure of information to any third parties without the consumers' consent.

3. Representative recommend correct and sufficient information of products and their instructions to consumers and provide documents to promote products with accurate and complete information for consumers.

4. Developing new products and manufacturing products based on the demand of consumers, applying comments of consumers to further research and development for the purpose of sustainable mutual benefits.

Environmental Care

1. Maintaining and improving machineries so that they will not cause the pollution to the environment of inside and outside communities.

2. Provide information on the environmental, safety and health effects to employees and the public.

3. Preparing the emergency response plan to handle with problems possibly occurred and caused hazard to employees, company, and nearby communities, including reporting to authorized persons for immediate action as soon as situations occur.

4. Taking responsible to the environment of the community and society for business sustainability and environmental friendly.

Anti-Corruption Policy and Declaration of Intent (Cooperated with other organizations)

The Company is committed to operate the business based on the principles of laws, integrity and morals, and also aware of the significance of the good corporate governance. The Company adheres to the fair business operation, transparent management, responsibility to its stakeholders, and corporate environmental and social responsibility. The Company has established the following practices;

1. Its directors, executives and employees at all levels must comply with the anti-corruption policy without involvement in any forms of corruption, either directly or indirectly.

2. Ask for cooperation from stakeholders such as partners, abstain from giving all kinds of gift to Directors, Executives, Staffs and Employees of the Company at all festivals and must not request for or accept gifts, any kind of entertainment, or other expenses from customers, business partners or any parties related to the Company's business, affecting the decision in performing duties or causing interest conflicts.

3. The offering or accepting of donations or contributions must be performed in a transparent and lawful manner to ensure that it will not be used as excuses for bribery.

4. Do not offer or accept bribery in any types of business operation. Any operations of the Company and business relations with the public sector must be carried out in a transparent manner in accordance with related laws.

5. Its employees must not neglect or ignore any potential corrupt actions involving to the Company. If such action is detected, employees must report such matter to their supervisors or responsible persons through many channels as specified by the Company and fully cooperate in investigating facts.

6. Clues or complaints suspected to be corruption involving the Company, either direct or indirectly, must be reported to the Audit Committee of the Company. Whistleblowers must identify matters needed to report clues or complaints, as well as evidence, name, address and contactable telephone number.

7. Persons who are able to report clues or complaints in regard to corruption involving the Company include all stakeholders of the Company such as shareholders, customers, competitors, debtors, public sector, communities, societies, executives and employees of the Company. However, the Company will keep it confidential according to the confidentiality and protection measures.

The Company has manifested its intent by participating in anti-corruption activities with Thai public sectors. The Company also establishes the anti-corruption policy which is completely approved by the Board of the Company.



6.2 Code of Conduct

The Company establishes the Code of Conduct which is a policy and practice that a group of person related to the Company's business should adhere to. All directors and employees of the Company should comply with the Code of Conduct. The Company considers that it is common responsibility to ensure equality, mutual respect, and integrity occurring at work. For any details, all directors and employees shall exercise discretion and good awareness for the benefit of the Company.

Vanachai Group Public Company Limited, the "Company", is responsible for conducting business ethically, complying with applicable laws and requirements correctly, adhering to principles of responsibility, disclosure, transparency, and traceability for long-term business value creation.

The Company's success in sustainable business operations depends on the conduct of all directors and employees who are responsible for performing works in accordance with the Company's principles and regulations.

The full version of the Code of Conduct is shown in Enclosure 5.

6.3 Milestones of Policies, Guidelines and Corporate Governance System in the Previous Year

The Company adheres to and complies with the good corporate governance principles, such as good corporate governance principles for listed companies in 2017 of the Stock Exchange of Thailand, as it is the principle that helps strengthen the effective, transparent, and traceable management system, which will help the Company move forward to prosperity, and promote sustainable growth according to the Company's vision.

At the Board of Directors' Meeting, the Company monitored and reviewed the good corporate governance policy every year which is the mechanism for supervising the Company to perform operations in accordance with good corporate governance principles, code of conduct, and anti-corruption policy as defined continuously. The adopted corporate governance policy is considered and reviewed, and it is still comprehensive and appropriate for the Company's business operations.

In addition, the Company controls and supervises to ensure that its business operations are in accordance with the good corporate governance policy continuously.

- Rights of Shareholders: The Company has the policy to facilitate shareholders to exercise their rights to attend meetings and cast a vote and also ensures that sufficient information about date, time, venue and agenda as well as information relating to matters that must be considered and decided at the meeting are provided to shareholders in advance in a timely manner.
- Equitable Treatment of Shareholders: At the Shareholders' Meeting, the Company offers shareholders the opportunity to nominate individuals to be elected as directors and propose agendas in advance prior to the date of the shareholders' meeting. Shareholders are encouraged to use a proxy form which shareholders can determine the voting direction (Form B).
- Role of Stakeholders: The Company is committed to conducting business with virtue and social responsibility based on the principle of creating shared value between the organization and all stakeholders for mutual benefits in a sustainable manner. The Company supervises to ensure the compliance with laws and guidelines on the corporate governance principles so that stakeholders can be protected and treated fairly and appropriately.
- Disclosure and Transparency: The Company discloses the necessary information accurately and completely, including financial information and performances, in accordance with the regulations and suggestions of the Stock Exchange of Thailand. Such information is disclosed via SET Link on the Company's website and annual report. Other related information is retained in accordance with the regulations and the control of the Company's compliance is supervised according to the policy on insider trading supervision.

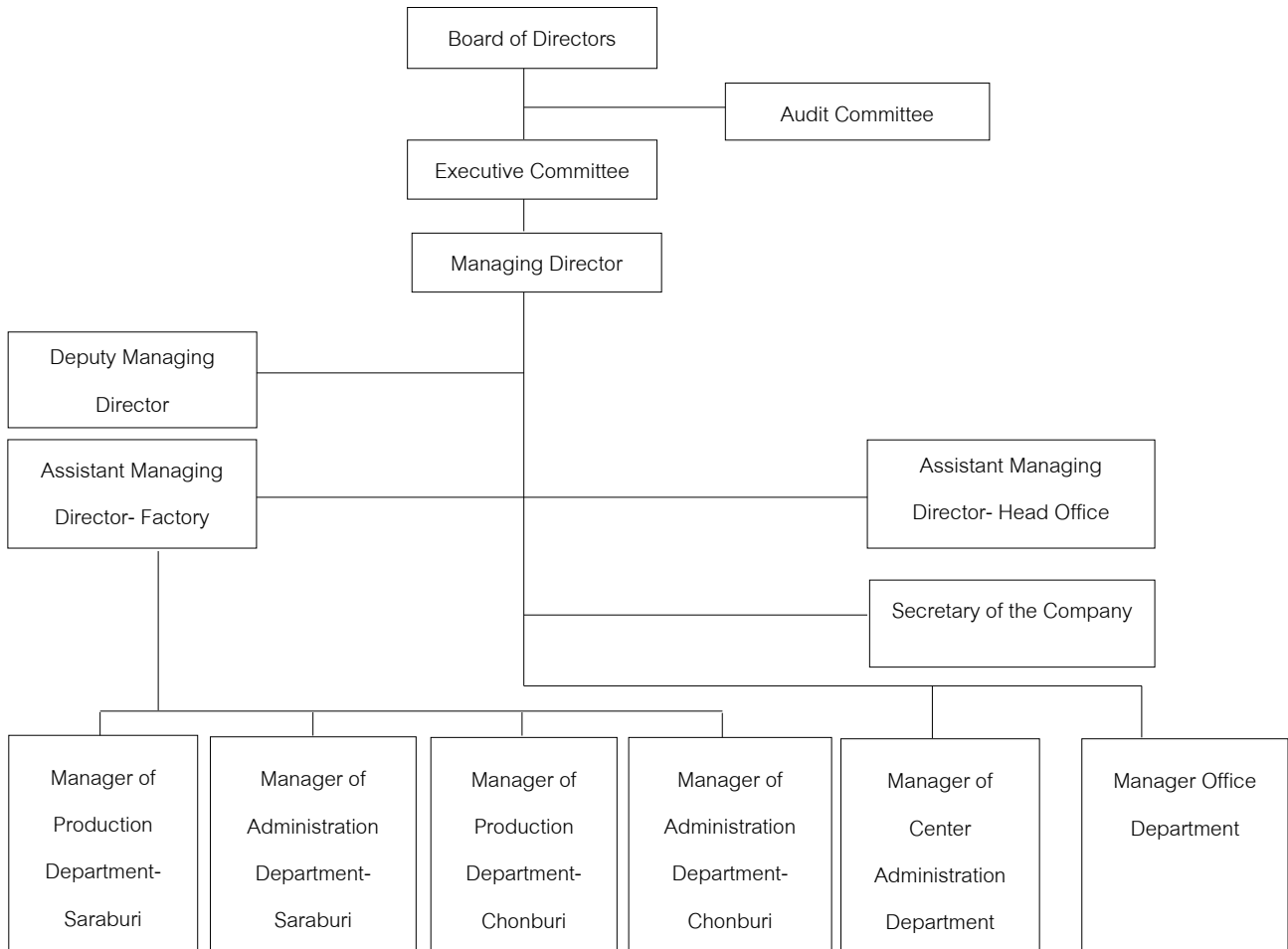
- Responsibilities of the Board of Directors: It is to consider and approve important matters regarding operational policies in accordance with and in response to business situations. The Company pays attention to the independence of decisions made by directors for the best interests of the Company and its shareholders, including performance of duties with integrity and prudence to maintain the interests of the Company.

However, according to the principles of good corporate governance for listed companies to which the Board of Directors has always adhered to, the Company is in the process of considering and reviewing such principles in order to enhance the efficiency of governance and ensure that the Company's corporate governance standards are consistent with the principles of good corporate governance for listed companies.



7. Corporate governance structure and significant information related to the Board of Directors, sub-committees, executives, employees and others

7.1 Management company within the company structure



The Company does not have any internal audit section, organizational regulatory section and risk management section.

7.2 Information about the Board of Directors

7.2.1 Composition of the Board of Directors

The Company has a total of 15 directors. The details are as follows:

	Number (Persons)	Percentage (%)
Total number of directors	15	100
Male director	13	87
Female director	2	13
Executive director	9	60
Non-Executive Directors	1	7
Independent Director	5	33

The Company has five independent directors, accounting for one-third of the entire board of directors.

7.2.2 Information on the Board of Directors

list of directors				AGE (years)	Position	Start holding office
*	1.	Mr. Sompop	Sahawat	69	Chairman	1 Nov. 1994
	2.	Mr. Nipon	Wisityuthasart	82	Independent Director Chairman of the Audit Committee	15 Dec. 1999
	3.	Pol.Gen. Soontorn	Saikwan	77	Independent Director	19 Apr. 2005
	4.	Pol.Gen. Wichean	Potephosree	68	Independent Director Audit Committee	28 Apr. 2014
	5.	Mr. Suebrakul	Soonthornthum	79	Independent Director Vice Chairman	1 Nov. 1994
	6.	Mr. Kraithip	Krairiksh	67	Independent Director Audit Committee	12 Dec. 2008
*	7.	Ms. Yupaporn	Boongate	67	Vice Chairman	4 Jan. 1995
*	8.	Mr. Wanthana	Jaroennawarat	61	Managing Director	1 Nov. 1994
	9.	Mr. Suthep	Chaipattanavanich	58	Director	1 Nov. 1994
*	10.	Mr. Patta	Sahawat	49	Deputy Managing Director	25 Apr. 2001
*	11.	Ms. Phattra	Sahawat	47	Director	24 Apr. 2002
*	12.	Mr. Somprasong	Sahavat	45	Director	13 May. 2003
*	13.	Mr. Sittiwat	Sahawat	41	Director	14 May. 2019
	14.	Mr. Surapong	Dumrisilp	64	Director	6 Mar. 2015
	15.	Mr. Vichai	Nivaspathomwat	75	Director	24 Feb. 2020

* These directors are authorized to sign on behalf of the company

Authorized directors

The directors eligible to sign on behalf of the company are Ms. Yupaporn Boongate or Mr. Patta Sahawat or Ms. Phattra Sahawat sign with either Mr. Sompop Sahawat or Mr. Wanthana Jaroennawarat or Mr. Somprasong Sahavat or Mr. Sittiwat Sahawat. Altogether two of them with the company's seal affixed.

7.2.3 Information related to the roles and duties of the Board of Directors

Scope of responsibilities and duties of the board of directors

1. To set up company's policies and directions to ensure that the business policies couple with the internal control system are handled and executed in the most effective and efficient manner by the management. To have the intention to operate business continuously.

2. To perform duty in compliance with laws, objectives, the company's articles of association and shareholders' resolutions upon the honesty and integrity, as well as to preserve company's benefits and interests.



3. We are responsible for completing the statement of financial position and income statement at the end of the company's accounting period. We make sure that these statements are accurate and clearly reflect the actual position of the company as well as comply with the Generally Accepted Accounting Principles (GAAP). These statements are audited by the company's auditors in order to propose in the annual shareholders meeting for further consideration and approval.

4. To perform duty in the company's information disclosure as detailed in the SET regulations in regards to rules, information disclosure procedures, and any action of the listed company on public disclosure of material information related to investment decision in the securities

5. To appoint any other individuals to operate the company's business under the control of Board of Directors, or give the proper authorization under the specified period; to discharge, reposition, or the change of authorization.

6. To review and approve the expansion project that has been considered and proposed by the Management Committee.

7. To review and concur on capital increase, issuance of debenture, merger and acquisition that have been considered and proposed by the Management Committee in order to propose to shareholders meeting for approval.

8. To review and approve the operating expenses limit beyond the authority of the Managing Director with the approval by the Chairman of the Board of Directors and be presented to the Board of the Directors' meeting for ratification.

However, such the above responsibilities and duties do not include the execution of inter related transactions and the transactions of acquisition or disposition of significant assets of the listed company according to the SET regulations. The company, in addition, must strictly follow according to the rules, procedures and regulations of the Stock Exchange of Thailand on these particular matters. Moreover, these authorities and duties exclude the matters which the company's articles of association identify to have the shareholders' meeting approval.

Duties and responsibilities of the managing director

The Board of Directors' meeting had approved the following scope of authorities and duties of the Managing Director:

The Managing Director has duties on day-to-day business operations which are:

1. To monitor the company's overall operation to conform to the company's objectives.
2. To review and approve payment limit on normal operating expense not to exceed 7 million baht per transaction.
3. To review the project investment to be presented to the Management Committee.
4. To review the company's fund raise to be proposed to the Management Committee.
5. To review and appoint the consultants necessary for business operation to be proposed to the Management Committee.
6. To review and approve the inter-related transactions under normal trade criteria such as purchase and sale of products under fair market value, granting of credit term similar to general customers.

The responsibilities of Managing Director also include any other duties assigned by the Management Committee and or the Board of Directors on a case by case basis. The Managing Director is eligible to delegate the individual as seen appropriate to perform and operate on behalf of the Management Director in proper matter. However, the Managing Director has no authority to approve any inter-related transactions which beyond normal business operations, acquisition or deposition on significant assets, and/or matters or transactions which Managing Director or interest persons may constitute conflict of interests to the company.

7.3 Information on each appointed subcommittee

7.3.1 The Executive Board of Directors

Scope of authority and duties of the executive committee

1. To ensure that the company's business is operated efficiently and effectively and in line with the company's policies.

2. To perform duties according to laws, objectives, and the company's articles of association and shareholders' resolution with honesty, integrity and carefulness of the company's benefits.

3. To review the statements of financial position and income statement as of the end of the company's fiscal period to ensure correctness and preciseness of the company's financial status under the generally accepted accounting principles. The financial statements are to be audited by the auditor and be presented to the Board of Director's meeting.

4. To primarily review the project expansion investment plans, capital increase, issuance of debenture, and merger and acquisition and be proposed to the Board of Directors for approval.

However, the above authorities do not include the delegation of authority to the executive Committee to exercise any transactions that may result in any form of conflict of interests involving the company or its subsidiaries. The authorities also do not include operations of inter-related transactions and acquisition and deposition of significant assets of the listed company as detailed in announcement by SET. The company must conduct the business in accordance with rules and regulations of SET.

The Audit Committee

Scope of authority and duties of the audit committee assigned by the company's board of directors

1. To review accuracy and completeness of the company's financial statements.

2. To review the appropriateness and effectiveness of the company's internal control system and internal audit system.

3. To review that the company operates in line with the Securities and Exchange Act, the Regulations of the Stock Exchange Thailand, or any other relevant laws.

4. Consider, select, nominate the independent individuals as company's auditor, and offer them the remuneration, attend the meeting with auditors at least once a year without management division.

5. Consider linked transaction or that might be conflict of interest in accordance with law and the Stock Exchange requirement to ensure that such transaction is reasonable and maximize the company's benefit.

6. Conduct the audit committee's report which shall be disclosed in the company's annual report. Such report shall be signed by chairman of audit committees and contains at least the following comment information;

- (a) comment on the accuracy, completeness and reliability of the company's financial report
- (b) comment on the adequateness of the company's internal control
- (c) comment on compliance with Securities Exchange Act, Stock Exchange Requirement, and business-related laws
- (d) comment on the qualification of auditor
- (e) comment on any transactions that may be in conflict of interest
- (f) number of meetings of the audit committee and individuals' attendance
- (g) comment and overall observation which audit committees have been obtained from performing their duty subjected to charter
- (h) other transactions should be made known to shareholders and public investors under the scope of obligation and responsibility assigned by the Board of Directors

7. Perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.



7.3.2 List of Executive Committees

Names		Position
1. Mr. Wanthana	Jaroennawarat	Executive Chairman
2. Mr. Sompop	Sahawat	
3. Ms. Yupaporn	Boongate	
4. Mr. Suthep	Chaipattanavanich	
5. Mr. Patta	Sahawat	
6. Ms. Phattra	Sahawat	
7. Mr. Somprasong	Sahawat	
8. Mr. Sittiwat	Sahawat	
9. Mr. Surapong	Dumrisilp	

List of Audit Committee

Names		Position
1. Mr. Nipon	Wisityuthasart	Chairman of the Audit Committee
2. Mr. Kraithip	Krairiksh	
3. Police General Wichean	Potephosree	

Mr. Kraithip krairiksh who is Audit Committee, have knowledge and experience in review of the quarterly and annually financial statements of the company.

7.4 Information on executives

7.4.1 List and position of management According to the definition of the Securities and Exchange Commission (SEC), consists of

Name		Position
1. Mr. Wanthana	Jaroennawarat	Managing Director
2. Mr. Patta	Sahawat	Deputy Managing Director
3. Mr. Surapong	Dumrisilp	Assistant Managing Director
4. Mr. Phumsakdi	Chullavullibha	Assistant Managing Director
5. Ms. Phattra	Sahawat	Assistant Managing Director
6. Mr. Somprasong	Sahawat	Assistant Managing Director
7. Mr. Sittiwat	Sahawat	Assistant Managing Director
8. Mrs. Prapaporn	Sringam	Executive Manager

7.4.2 Policy on Remuneration for Executives

Remuneration for executive is in accordance with the principles and policies set by the Board of Directors, which relate to the Company's operating results and the performance of each executive.

7.4.3 Remuneration for Executive

- (1) In 2021, the Company paid remuneration consisting of salaries and bonuses (Company only) to 6 executives, totaling 27.02 million Baht.
- (2) Other Remunerations
- None -

7.5 Information on employees

(1) The Company has a total of approximately 1,713 employees. In 2021, the Company paid remuneration to employees in the total amount of 547.36 million Baht, including salary, bonuses, overtime pay and living allowances. There are employees in the main line of work as follows:

	Amount of employees (male)	Amount of employees (Female)
<u>Head Office - Bangkok</u>		
• Deputy Managing Director and Assistant Managing Director	4 people	1 people
• Center Administration and Import Department	3 people	9 people
• Office Managing Director and other	6 people	20 people
<u>Factory - Chonburi</u>		
• Employees - Production Department	426 people	244 people
• Employees - Management	62 people	64 people
<u>Factory - Saraburi</u>		
• Employees - Production Department	436 people	275 people
• Employees - Administrative Department	93 people	70 people
Total	1,030 people	683 people

- (2) The company has no any labor dispute for the past 3 years.
- (3) The Company does not have a provident fund.

Employee development policy

Company focuses on continuous development of human resource by offering external training programs for executives and employees in order to get ready for updated information. Internal trainings are also provided, including programs that are related to each department. Company realizes that employees are the key contributors of business success so their expertise should be developed to promote capabilities and to ensure success in career path.



7.6 Other significant information

7.6.1 The name of the person assigned to take direct responsibility for accounting oversight, company secretary

The name of the person assigned to take direct responsibility for accounting oversight is Mr. Witoon Samapath

The Company's Board of Directors has a resolution to assign Mr. Aruck Tungtrakool to be the secretary of the company starting from the date of 11 August 2008. The qualifications of the person holding the position as the company secretary appear in Enclosure No.1.

7.6.2 The name of the head of investor relations

Any specific company's sectors do not be appointed to contact with the investors. However, Mr. Somprasong Sahavat, a company's director, is responsible to relate with the institute investors, shareholders financial analyst and the related government sector via company's telephone number 0 2585 4900-3.

7.6.3 The remunerations that the auditor

- (1) Remuneration of the annual audited.

Company and its subsidiaries company has a clear remuneration to auditor total 3,912,000.00 Baht

- (2) Other Services

As condition to verity of promote and total amount 310,000.00 Baht

8. Report on key operating results on corporate governance

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

Board of directors' reports

The Company's Board of Directors is responsible to approve both company's and its subsidiaries' financial statements and other memorandums revealed in the annual report by informing their responsibilities to the financial reports together with the report of the independent certified public accountant and the audited financial statement in the annual report. Board of Directors monitors and supervises sufficiency of financial liquidity and debt coverage of enterprises.

Board of Directors' Meeting

According to the company regulations, the board of directors' meeting are arranged quarterly or 4 times a year, with extraordinary meetings as deemed necessary. The meeting agenda and time for ordinary meeting will be set and sent to each director 7 days prior meeting date so directors have a chance to adequately acquaint themselves to the issues before attending the meeting. The board can also request additional information from the managing director or Company Secretary or let the executive management attends the meeting to explain that requested information. Moreover, each director can propose additional issues for the chairman and managing director approval to be a topic in the meeting agenda. Each director must attend every meeting except for the unavoidable reason. The non-executive directors can have meeting among them as necessary.

The company's meeting minutes was completely and accurately recorded by the company's secretary in case that the company's board of directors, shareholders and other related person can review.

The Company holds the meeting of Executive Committee monthly in order to monitor performances of the Company and its subsidiaries.

8.1.1 Recruitment and appointment of Directors and Chief Executive

- (1) Independent director

Recruitment Process for Independent Director

According to the meeting of the Board of Director, a term "Independent Director" shall refer to an individual who possesses ability and knowledge that would be beneficial to the company's operation. Once being taken into consideration, the result shall nominate at the shareholder meeting to appoint the qualified persons as the member of the Board of Directors.

Independent Director's Qualification

1. Hold 1% or lesser of total shares in suffrage of the company, parent company, subsidiary company, incorporated company or juristic person who may be in conflict of interest, including shares held by those concerned persons (referred to as ordinary person under Clause 258 of the Security Exchange Act).

2. Avoid managerial involvement (referred to executive director, executive-like committee, and duly authorized committees), personal, employee, regular consultant, controlling person who is involvement have concerned with parent company, subsidiary company, incorporated company, subsidiaries at same sequences (referred to 2 subsidiaries or up subjected to the same holding company), juristic person who may be in conflict of interest (presently or 2 years period prior to appointment).

3. Having neither blood relationship nor registering as parents, spouse, brother and sister, and the children' partner in relation with executive, major shareholder, or controlling person, or nominated person to be executive or controller for company and subsidiaries.

4. Business relationship with company

(a) Details of Relationship

* Relationship as professional service provider

- Relationship : Auditor, other professional service providers such as legal consultant, financial consultant, evaluator, etc.
- Significant level irrelevant to dependent position
 - Auditor is prohibited in any case.
 - Other professional service providers - Value of transaction must exceed 2 million Baht yearly

* Business Relationship (congruently with requirement on linked transaction of the Stock Exchange)

- Relationship : Cover all business types - including normal transaction, real estate lease/rent, assets/service transaction, financial assistance transaction
- Significant level irrelevant to dependent position : transaction value \geq 20 Million Baht or \geq 3% of company's NTA, upon the case may be of which amount is lower. In consideration of transaction, the previous 6 months transaction shall be included.

(b) Relationship (a) relationship with juristic person shall be regarded dependent position which are major shareholder, directors (except for independent director/audit director), and executive or juristic person's partner.

(c) Subjected to sub-clause (A) and (B) such relationship above mentioned must not occur in present or previous 2 years period prior to appointment.

(d) Exception: In case of reasonable necessity which the event has not occurred continuously and constantly, the independent director/audit director may develop the relationship to the extent which it is beyond the significant level assigned in the office, it shall be approved by the Board of Directors, and the resolution must be unanimous. Additionally, such relationship shall be closed by the company for respective director on the Public Offering (Filing Form), Annual Business Data (Form 56-1) , and Annual Report (Form 56-2) of the company. If subsequently it's required by the company to submit the independent director/audit director such transaction to assume the next term of office, the company shall disclose the data relevant to the said relationship on the letter of meeting appointment in period of director nomination.

5. Not being a nominated committee as company's representative, major shareholders or shareholders relevant to company's major shareholder.

6. There are no qualifications that preclude assuming role as independent director.



7. Independent director with qualification stated in section 1-6 shall be assigned by the Board of Directors to make a decision in relation to the operation undertaken by parent company, subsidiaries, incorporated company, and subsidiaries at the same sequence or entities that may conflict with the decision to form Collective decision.

(2) Recruitment of Directors and Chief Executive

The company does not have a nominating committee to appoint the directors. According to the company's Articles of Association, directors are selected by the Board of Directors to propose for approval which qualified and not disqualified under section 68 of the Companies Act B.E. 2535.

The company's Board of Directors composes of at least 5 directors and more than half of the directors must be residents of Thailand. Company's directors must be qualified according to the law.

The general meeting of shareholders, the directors retire each year, 1 in 3 if the number of directors to be divided into three parts to match it. Then the number nearest to 1 in 3 by the directors retiring by rotation may be selected.

Directors are selected via a shareholders' meeting there are rules and procedures as following.

1. Each shareholder has the number of votes equivalent to the number of shares held. One share equals one vote.
2. In voting for the election of directors. The voting individually. Total votes cast by the shareholders they have a person who has been nominated as members one by one.
3. The person receiving the most votes respectively down. Are elected as directors up to the number of directors to be elected at that time. In the case of a person who was elected in descending order have equal votes, The Chairman of the meeting as an additional vote as the casting vote.

The method of individual director appointment requires a majority of votes of shareholders attending the meeting and casting a vote.

The Shareholders meeting may pass a resolution removing any director from the board prior to the tenure of the director. The retirement issue resolution must receive at least three quarters of the votes from shareholders who attends the meeting and have the right to vote, and the total numbers of shares must be counted not less than half of the shares holding by the shareholders attending the meeting and having the right to vote.

8.1.2 Meeting attendance and remuneration payment to each Board member

	Name		Position	Meeting attendance / Total meeting	
				Board of Directors	Shareholder
1.	Mr. Sompop	Sahawat	Chairman	10/10	1/1
2.	Mr. Nipon	Wisityuthasart	Independent Director Chairman of the Audit Committee	8/10	0/1
3.	Pol. Gen. Soontorn	Saikwan	Independent Director	10/10	1/1
4.	Pol. Gen. Wichan	Potephosree	Independent Director Audit Committee	10/10	1/1
5.	Mr. Suebrakul	Soonthornthum	Vice Chairman Independent Director	10/10	1/1
6.	Mr. Kraithip	Krairiksh	Independent Director Audit Committee	10/10	1/1
7.	Ms. Yupaporn	Boongate	Vice Chairman	9/10	1/1
8.	Mr. Wanthana	Jaroennawarat	Managing Director	8/10	1/1
9.	Mr. Suthep	Chaipattananavich	Director	9/10	1/1
10.	Mr. Patta	Sahawat	Deputy Managing Director	10/10	1/1
11.	Ms. Phattra	Sahawat	Director	9/10	1/1
12.	Mr. Somprasong	Sahawat	Director	10/10	1/1
13.	Mr. Sittiwat	Sahawat	Director	9/10	1/1
14.	Mr. Surapong	Dumrisilp	Director	10/10	1/1
15.	Mr. Vichai	Nivaspathomwat	Director	10/10	1/1

Directors were absent from the meeting due to their errands.

Monetary remuneration

- (1) Director's Remuneration It consists of monthly compensation and annual bonus as follows:

<u>List-name</u>	<u>Position</u>	<u>Baht</u>
1. Mr. Nipon Wisityuthasart	Chairman of the Audit Committee	1,420,000
2. Mr. Suebrakul Soonthornthum	Independent Director	1,420,000
3. Mr. Kraithip Krairiksh	Audit Committee	1,000,000
4. Pol. Gen. Soontorn Saikwan	Independent Director	760,000
5. Pol. Gen. Wichan Potephosree	Audit Committee	1,000,000
Total of remuneration		<u>5,600,000</u>

- (2) Other remuneration

- None -

The Board of Directors has considered the remuneration of directors based on the obligations and responsibilities. The data of remuneration for directors of listed companies on the Stock Exchange of Thailand with the total income similar to the Company is compared so that the Company will have information to consider the remuneration of directors. The Company requested for an approval from the Shareholders' Meeting.



Remuneration for executives is in accordance with the principles and policies set by the Board of Directors, which relates to the Company's operating results and the performances of each executive.

Currently, the Company does not have a Remuneration Sub-committee, but there is a proper remuneration review process by using the remuneration information of companies in the same industry with similar size to the Company, including the Company's operating results, to support the consideration.

Directors who hold the position of director in subsidiaries shall not receive remuneration as a director of subsidiaries.

8.1.3 Supervision of subsidiaries and associates

(1) The Company supervises subsidiaries and provides regulations regarding connected transactions, acquisition or disposition of assets or other important transactions of such subsidiaries to ensure the accuracy and completeness. The Company uses the rules relating to the disclosure and transactions above in the same nature as the Company's rules. In addition, the Company supervises and provides accurate information storage and accounting recording of subsidiaries which allows the Company to audit and collect information to prepare the consolidated financial statements in a timely manner.

The Company has the policy focusing on enabling subsidiaries to produce quality products with competitive production costs, which can help increase revenues and distribution within the Group. The executive directors of the Company will also be the executive director of the subsidiary in order to formulate policies and supervise the operations of subsidiaries in accordance with the specified directions and policies.

Because the company, there are 9 subsidiaries, so some directors are executives. must hold a position as a director in the said company to be able to formulate policies and supervise the operations of the subsidiaries to be in accordance with the directions and policies. At present, the Company's directors hold positions in no more than 5 listed companies.

Related companies operate the business of production and distribution of wood-based panels and related products. The policy focuses on enabling related companies to produce quality products with competitive production costs, which can help increase revenues and distribution within the Group.

(2) Agreement between the Company and other shareholders relating to the management of subsidiaries and associates (shareholder's agreement)

- None -

8.1.4 Monitoring of compliance with corporate governance policy and guidelines

The Board of Directors has considered and applied the principles of good corporate governance for listed companies in 2017 to its operations as follows:

To ensure the continuous growth of the Company's business operations and increase the confidence of shareholders, investors and all related parties, the Company establishes the corporate governance policy. The Board of Directors shall comply with as follows:

- (a) Performing the management with prudence and caution and taking responsible for performing duties with sufficient capabilities and efficiency for the highest benefits of shareholders
- (b) Supervising to avoid conflicts of interest and taking responsibility for their own decisions and actions
- (c) Performing operations with transparency and traceability and disclosing sufficient information to all related parties
- (d) Always conducting businesses by taking into account risks and providing appropriate risk control and management

In the previous year, the Company fully performed operations according to the guidelines for each issue.

The Company monitors the compliance with good corporate governance as follows:

(1) Prevention of conflicts of interest

The Company has various policies and guidelines for preventing conflicts of interest as follows:

- Assigning directors and senior executives to report their own interests and related persons which is the interest in connection with the management of the Company or its subsidiaries when holding the position of director or senior executive, and reporting every time when there is a change in interest information.

- The Company Secretary shall submit a copy of the report of such interest to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the date that the Company receives the report in order to comply with the Securities and Exchange Act B.E. 2535 and to use such information for inspection and prevention of conflicts of interest.

- The structure of the shareholding in the controlling business and other companies is clearly disclosed, including authorized shareholders, to ensure that the Company has a clear shareholding structure. There is no cross-shareholding with the majority shareholder, so it does not cause a conflict of interest to either party.

- At the Board of Directors' meeting, if any director has a stake in the interests of the matter being considered, such director shall not be involved in the decision in that matter. Such director may not attend the meeting or abstain from voting in order to ensure that the decision of the Board of Directors is fair for the benefit of shareholders.

(2) Insider Trading for Exploitation

The Company has the policy on the management of inside information and strictly adheres to it such information shall be provided to the related parties only. Reporting or publishing inside information can only be performed by assigned persons. All directors and executives of the Company are aware of their obligations and responsibilities for inside information, which shall not be used for their personal benefit. Executives are required to report changes in securities holdings to the SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 days from the date of the change in securities holdings and notify the Company Secretary to prepare a record of changes and summarize the number of securities of directors and executives individually in order to present to the Board of Directors at the next meeting. In addition, penalties are also notified if there is a breach or non-compliance with such requirements. Executives or agencies acknowledging inside information are not allowed to disclose it to any third parties or persons who do not have relevant duties. At every Board of Directors' meeting, the Company Secretary will allow each director to inspect the accuracy of his/her number of shares.

In the previous year, there were no directors and executives trading the Company's securities.

(3) Anti-corruption

The Company pays attention to anti-corruption by establishing the anti-corruption policy which is approved by the Board of Directors as the clear guidelines for business operations and announced its intention to Thai Private Sector Collective Action Against Corruption in February, 2015.

(4) Whistleblowing

- None -



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

8.2.1 The total number of the Audit Committee's meetings and the attendance of each member:

List-name		Meeting attendance / Total meeting
1. Mr. Nipon	Wisityuthasart	4/5
2. Mr. Kraithip	Krairiksh	5/5
3. Police General Wichan	Potephosree	5/5

The committee members were absent from the meeting due to their errands.

8.2.2 The results of duty performance of the Audit Committee

1. To review accuracy and completeness of the company's financial statements.
2. To review the appropriateness and effectiveness of the company's internal control system and internal audit system.
3. To review that the company operates in line with the Securities and Exchange Act, the Regulations of the Stock Exchange of Thailand, or any other relevant laws.
4. To consider, select, purpose the company's independent auditors and their remuneration, attend the audit meeting without management participation at least 1 time a year.
5. To consider the related transactions which may cause a conflict of interest according to the law and securities exchange regulations to assure the reasonable and highest benefit to the company.
6. To made audit committee's performance report, presented in the company's annual report and has to be signed by the chairman of the audit committee.
7. To perform any additional duties assigned by the company's board of directors with the consent of the audit committee.

In the year 2021, the Audit Committee held 5 meetings, of which 4 were meetings to review the quarterly financial statements that were reviewed by the Certified Public Accountant and annual financial statements audited by a certified public accountant, to assure that the financial statements were accurate and revealed the actual company's financial status in compliance with the general accounting principles. The reveal of financial information must be accurate and adequate responding to the general accounting principles, then, submitted to the Board of directors for approval consideration and one more time is a meeting to consider and approve the purchase of assets of subsidiaries from related companies and agreed to propose to the Board of Directors for further consideration and approval.

The audit committee considered the adequacy of the internal control system. And the opinion that the Company's internal control system is appropriate and adequate.

Audit committees have considered of the disclosure of any inter-related transactions or transactions with conflict of interests between the company, its subsidiaries, related companies and related persons to the confident that company follow regulations and rules stipulated by The Stock Exchange of Thailand, also exposure of adequate information useful to investors and is the opinion that the transaction occurred between the company, its subsidiaries, related companies, related persons has been according to market price or fair dealing, comparable to transaction occurred to the outsiders. Also, company has exposed information accurately and completely.

Audit committees have appointed Certified Public Accountant who are Mr. Ampol Chamnongwat Certified Public Accountant (Thailand) Registration No. 4663 or Mr. Naris Saowalagsakul Certified Public Accountant (Thailand) Registration No. 5369 or Ms. Gunyanun Punyaviwat Certified Public Accountant (Thailand) Registration No. 12733 from SAM NAK-NGAN A.M.C Co., Ltd. to be the auditors for the year 2022 as SAM NAK-NGAN A.M.C Co., Ltd. has to be the auditor for the Company and its subsidiaries for many continuous years which always able to give helpful advice to the company. Also the appointed auditors are independent and have no any benefits that may cause the conflict of interest to the Company, its subsidiaries, management, major shareholders or those related to such person. The audit committee has considered the audit expenditures for year 2022 total 885,000 Baht to submit board of approval and presented at shareholder annual general shareholder meeting of year 2022 for future approval.

9. Internal control and related party transactions

9.1 Internal control

9.1.1 - Board of Directors' meeting No.1/2022 dated February 21, 2022 which was also attended by the 5 members of Independent Directors. The Board has evaluated the internal controls by interrogating the management and by reviewing the appraisal form prepared by the management. The evaluation of internal controls has been summarized in 5 major components

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The Board views that the internal control system of the company is adequate for efficient implementation. Moreover, the internal control system regarding the monitoring and controlling of the subsidiaries' operations should be able to adequately prevent the directors or executives from wrongfully or improperly utilize of the assets of the company and its subsidiaries, as well as making transactions between persons with conflicting interests and related persons. For internal control on other issues, the Board also views that the company has adequate internal control as well.

- The company's auditor is the SAM NAK-NGAN A.M.C. Co., Ltd., who audits the financial statements, and has provided opinion in the internal accounting control system report as follows: The company has studied and evaluated the efficiency of the internal control system in accounting as deemed necessary in order to facilitate in setting the scope of audit operation with properness and preciseness. The company's auditor would like to inform that the audit does not verify all transactions, however, examine method has been applied. Moreover, the study and efficiency evaluation of the internal audit of the accounting has the purpose as mention before so the weakness of the internal audit cannot be specified. According to the accounting audit, the company's auditor does not find any serious problems of the accounting internal audit system that affect to the company's financial report.

- Now the company has not established any internal audit section.

9.1.2 In the previous year, the Company had no defects regarding the internal control system.

9.1.3 The Audit Committee has considered the internal control adequacy evaluation form and expressed the opinions that the Company's internal control system is appropriate and sufficient.



9.2 Connected Transactions

9.2.1 Related beneficial persons and inter company transactions

The related beneficial persons whom are the company or other corporate in which same group of major shareholders

<u>Company</u>	<u>Type of business and nature of business</u>	<u>Location</u>	<u>Paid-up capital</u>
1. The Vanachai Group of Companies	Holding Company	2/1 Wongsawang Rd., Bangsue, Bangkok	510,000,000
2. Vanachai Intertrading Group	Holding Company	2/1 Wongsawang Rd., Bangsue, Bangkok	1,150,000,000
3. Firstwood	Office for lease	2/1 Wongsawang Rd., Bangsue, Bangkok	295,000,000
4. Woodland	Manufacture flush and moulded doors	Factory, 87, Ban Chang, Muang, Pathum Thani	75,000,000
5. Doctorwood	Warehouse Service for rent	Factory, 8/3, Sukumvit Rd.,(Bangna-Trad), Takham, Bangpakong, Chachoengsao	23,125,000
6. Vanachai Plywood	Bonded warehouse rental	Factory, 8/1, Sukumvit Rd., (Bangna-Trad), Takham, Bangpakong, Chachoengsao	60,000,000
7. Vanachai Veneer and Plywood	Manufacture plywood and laminated plywood	Factory, 89, Ban Chang, Muang, Pathum Thani	220,000,000
8. Maeyai	Manufacture Laminated MDF Board	43/3, Ban Chang, Muang, Pathum Thani	210,000,000
9. Rich forest	Planting Eucalyptus Forest	1354 Bangkok-Nonthaburi Road, Bang Sue Subdistrict, Bang Sue District, Bangkok	200,000,000

Companies involved in the business of wooden board production and distribution in place of natural wood and associated projects with the policy emphasizing ability to produce quality products in related companies with production costs which can compete, support income and product sales in the group.

Shareholding of the same group of major shareholders in the above related companies

Related Companies	Mr. Sompop Sahawat			Ms. Yupaporn Boongate			Mr. Vasun Jaroenavarat		
	Position	Shareholding (Share)	%	Position	Shareholding (Share)	%	Position	Shareholding (Share)	%
The Vanachai Group of Companies Co., Ltd.	-	-	-	-	510,000	10%	Director	510,000	10%
Vanachai Intertrading Group Co., Ltd.	-	-	-	-	1,150,000	10%	Director	1,150,000	10%
Firstwood Co., Ltd.	-	1	-	-	1	-	Director	1	-
Woodland Co., Ltd.	-	2	-	-	2	-	Director	2	-
Doctorwood Co., Ltd.	-	1	-	-	1	-	Director	1	-
Vanachai Plywood Co., Ltd.	-	-	-	Director	10,000	17%	-	-	-
Vanachai Veneer and Plywood Co., Ltd.	-	1	-	-	1	-	Director	1	-
Maeyai Co., Ltd.	-	1	-	-	1	-	Director	1	-
Rich forest Co., Ltd.	-	-	-	Director	333,333	17%	Director	-	-

Related Companies	Mr. Wanthana Jaroennawat			Mrs. Siriporn Chaipattavanich			Mr. Patta Sahawat		
	Position	Shareholding (Share)	%	Position	Shareholding (Share)	%	Position	Shareholding (Share)	%
The Vanachai Group of Companies Co., Ltd.	-	510,000	10%	Director	510,000	10%	-	510,000	10%
Vanachai Intertrading Group Co., Ltd.	-	1,150,000	10%	Director	1,150,000	10%	-	1,150,000	10%
Firstwood Co., Ltd.	-	1	-	Director	1	-	-	-	-
Woodland Co., Ltd.	-	2	-	Director	2	-	-	-	-
Doctorwood Co., Ltd.	-	1	-	Director	1	-	-	-	-
Vanachai Plywood Co., Ltd.	Director	10,000	17%	Director	10,000	17%	Director	9,999	17%
Vanachai Veneer and Plywood Co., Ltd.	-	1	-	Director	1	-	-	-	-
Maeyai Co., Ltd.	-	1	-	Director	-	-	-	-	-
Rich forest Co., Ltd.	Director	333,333	17%	Director	333,333	17%	Director	333,333	17%



Shareholding of directors, major shareholders of the company in the above related companies

Related Companies	Ms. Phattra Sahawat			Mr. Somprasong Sahavat			Ms. Somjairak Sahavat		
	Position	Shareholding (Share)	%	Position	Shareholding (Share)	%	Position	Shareholding (Share)	%
The Vanachai Group of Companies Co., Ltd.	-	510,000	10%	-	510,000	10%	Director	510,000	10%
Vanachai Intertrading Group Co., Ltd.	-	1,150,000	10%	-	1,150,000	10%	Director	1,150,000	10%
Firstwood Co., Ltd.	-	1	-	-	1	-	Director	-	-
Woodland Co., Ltd.	-	2	-	-	2	-	Director	-	-
Doctorwood Co., Ltd.	-	1	-	-	1	-	Director	-	-
Vanachai Plywood Co., Ltd.	Director	10,000	17%	-	-	-	-	-	-
Vanachai Veneer and Plywood Co., Ltd.	-	1	-	-	1	-	Director	-	-
Maeyai Co., Ltd.	-	1	-	-	1	-	Director	-	-
Rich forest Co., Ltd.	Director	333,334	17%	-	-	-	-	-	-

Related Companies	Mr.Sittiwat Sahawat			Ms.Nipapat Sahawat		
	Position	Shareholding (Share)	%	Position	Shareholding (Share)	%
The Vanachai Group of Companies Co., Ltd.	-	510,000	10%	Director	510,000	10%
Vanachai Intertrading Group Co., Ltd	-	1,150,000	10%	Director	1,150,000	10%
Firstwood Co., Ltd.	-	-	-	Director	-	-
Woodland Co., Ltd.	-	-	-	Director	-	-
Doctorwood Co., Ltd.	-	-	-	Director	-	-
Vanachai Plywood Co., Ltd.	-	-	-	-	-	-
Vanachai Veneer and Plywood Co., Ltd.	-	-	-	Director	-	-
Maeyai Co., Ltd.	-	-	-	Director	-	-
Rich forest Co., Ltd.	-	-	-	-	-	-

The table shows the transactions between the Company and its subsidiaries to the Company related

Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
1.Related person	Director of Vanachai Group Plc.	- Companies in the group selling finished goods and installation service.	0.18	- Transactions between the company have the same price to the transactions with the outsiders
2. Mae Yai Company Limited	- Related company - Has the same major shareholding group	- The company in the Group which sells MDF Boards and OSB for using as raw materials for the production of goods.	45.80	- Transactions between the company have the same price to the transactions with the outsiders
		- The Company in the group charges for commission and sales service fee.	0.41	- As selling agent to related company.
		- The Company in the group bought veneer scrap, to used as raw material in production of goods.	4.86	- Transactions between the company have the same price to the transactions with the outsiders
		- The company bought veneer scrap, slab to used as raw material in production of goods	0.23	- Transactions are conforming to agree contract using criteria similar to those of outsiders
		- The Company in the group purchasing plywood for reselling to the general public.	3.59	- Transactions between the company have the same price to the transactions with the outsiders
		- Account receivable	14.40	
		- Other account payable	1.07	
		- Accrued income	0.03	
		- Account payable	2.28	





Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
3. Woodland Co., Ltd.	<ul style="list-style-type: none"> - Related company - Has the same major shareholding group 	- The company in the Group which sells MDF Boards, Doorskin, and Particleboards for using as raw materials for the production of goods.	102.59	- Transactions between the company have the same price to the transactions with the outsiders
		- The company in the Group charges commission and sales fees.	1.40	- As selling agent to related company
		- The Company paints the Doorskin.	0.27	- Transactions between the company have the same price to the transactions with the outsiders
		- The company in the Group buys prefabricated doors and frames for selling to the general public.	19.73	- Transactions between the company have the same price to the transactions with the outsiders
		- The Company purchases slabs and melamine glue for using as raw materials for the production of goods.	0.14	- Business transactions are conforming to agree contract. using criteria similar to those of outsiders
		- The Company purchases prefabricated doors for using in general repair work.	0.01	- Transactions between the company have the same price to the transactions with the outsiders
		- Account receivable	22.18	
		- Accrued income	0.09	
		- Account payable	5.98	

Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
4. Vanachai Veneer and Plywood Co., Ltd.	<ul style="list-style-type: none"> - Related company - Has the same major shareholding group 	- The company in the Group sells veneer sheet for using as raw materials for the production of goods.	26.19	- Transactions between the company have the same price to the transactions with the outsiders.
		- The company in the Group charge commission and sales fees.	1.02	- As selling agent to related company.
		- The Company purchases veneer chips, wood core, plywood, and melamine glue for using as raw materials for the production of goods.	7.65	- Business transactions are conforming to agree contract. using criteria similar to those of outsiders
		- The Company purchases concrete forming plywood for using in general repair work.	0.01	- Transactions between the company have the same price to the transactions with the outsiders
		- The company in the Group purchases plywood and concrete forming plywood for selling to the general public.	12.32	- Transactions between the company have the same price to the transactions with the outsiders
		- The company in the Group purchases plywood for using in general repair work.	0.65	- Transactions between the company have the same price to the transactions with the outsiders
		- The Company in the group pays for the freight.	0.01	- Business transactions are conforming to agree contract. using criteria similar to those of outsiders
		- Account receivable	11.51	
		- Accrued income	0.13	
		- Account payable	5.07	





Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
5. Doctor Wood Co., Ltd.	<ul style="list-style-type: none"> - Related company - Has the same major shareholding group 	<ul style="list-style-type: none"> - The Company purchases forklifts. 	0.06	<ul style="list-style-type: none"> - To be used in the company's warehouse - Business transactions are conforming to agree contract
		<ul style="list-style-type: none"> - Vanachai Panel Industries Co., Ltd. has entered into the lease contract for warehouse, total are space of 26,850 sqm. Located at 8/3 Moo.8 ThaKham, Bangpakong, Chachoengsao, one-year period has started from 1 June 2020 to 31 May 2021. Rental fee is charged at the rate of 60 baht/square meter per month based upon the market comparative method and has been appraised by the Valuation and Consultant Co., Ltd. 	8.06	<ul style="list-style-type: none"> - The warehouse is the place for loading products to the container before sending to leam Chabang Port for export further. The cost of loading container and transportation at this site is less expensive than in Surathani. <u>Opinion of the Board of Directors and the Audit Committee</u> - An opinion that the transaction is reasonable and utmost beneficial to the company with regard to the cost saving. The company has assigned the outside company to be the appraiser to comment on the appropriateness of rental fee.
		<ul style="list-style-type: none"> - Company in group pays service fee for loading-unloading goods and container mobility expenses. 	4.90	<ul style="list-style-type: none"> - Business transactions are conforming to agreed contract <u>Opinion of the Board of Directors and the Audit Committee</u> - An opinion that the transaction is appropriate items. The subsidiary company in need of services up-down and lift the container with related to prepare the filling and ship finished goods abroad. To enter into the transaction is reasonable and for the benefit of the Company.

Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
Doctor Wood Co., Ltd. (con't)	<ul style="list-style-type: none"> - Related company - Has the same major shareholding group 	<ul style="list-style-type: none"> - Vanachai Woodsmith Company Limited has entered into a warehouse service agreement with an area of 2,688 sq.m. located at No. 8/3, Moo 8, Thakham Sub-district, Bangpakong District, Chachoengsao, for a period of 1 year effective from June 1, 2020 to May 31, 2021. The rental rate is 60 Baht /sqm. per month, which is determined from the comparison method with the market data assessed by The Valuation and Consultants Company Limited. 	0.81	<ul style="list-style-type: none"> - To be used as the storage for the Company's finished products for distribution to customers in each branch in the Eastern region <u>Opinions of the Board of Directors and the Audit Committee</u> - There was an opinion that such transactions were appropriate because the Company could use such location to be the storage center of finished product for distribution to customers in each branch In the Eastern region effectively. Such transactions were reasonable and for the highest interests of the Company. External companies were hired to assess and express opinions on the appropriateness of the rental rate.
		<ul style="list-style-type: none"> - Vanachai Woodsmith Company Limited has entered into an office space service agreement for a period of 1 year effective from June 1, 2020 to May 31, 2021. It is located at No. 8/3, Moo 8, Thakham Sub-district, Bangpakong District, Chachoengsao Province. The service fee of office space was 20,000 Baht per month. The pricing was the cost price plus processing fee. 	0.10	<ul style="list-style-type: none"> - To be used as the office for the Company's staffs
		<ul style="list-style-type: none"> - The Company in the group pays the petrol fee. 	0.09	<ul style="list-style-type: none"> - Business transactions are conforming to agree contract. using criteria similar to those of outsiders



Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
6. Firstwood Co., Ltd.	<ul style="list-style-type: none"> - Related company - Has the same major shareholding group 	<ul style="list-style-type: none"> - The company in the Group sells finished goods and provides installation services. 	0.12	<ul style="list-style-type: none"> - Transactions between the company have the same price to the transactions with the outsiders
		<ul style="list-style-type: none"> - The company has income from other sales. 	0.01	<ul style="list-style-type: none"> - Business transactions are conforming to agree contract. using criteria similar to those of outsiders
		<ul style="list-style-type: none"> - The Company has entered into the office space rental and services contract of 3,468 sq. meter located at 2/1 Wongsawang Rd., Bangsue, Bangkok, One-year period, has started from 1 July 2020 to 30 June 2021. Rental fee of 430 baht/sq. meter per month including component parts such as air conditioner, electricity, water and parking space. A rate which is determined by comparing the market. The evaluated by the Valuation and Consultant Co., Ltd. - The Company has entered into the office space rental and services contract for a period of 1 year has started from 1 July 2021 to 30 June 2022. 	8.95	<p><u>Opinions of the Board of Directors and the Audit Committee</u></p> <ul style="list-style-type: none"> - Such transaction is reasonable since the company needs the office to work on coordinating with government authorities, banks, and related authorities, and preparing documents for import and export and the company hired and external evaluator to provide comments on the suitability of the rental rate.
	8.95	<ul style="list-style-type: none"> - No change in rental rates for space and services 		

Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
Firstwood Co., Ltd. (con't)	<ul style="list-style-type: none"> - Related company - Has the same major shareholding group 	<ul style="list-style-type: none"> - Woodtek International Co., Ltd. Has entered into the office space rental and services contract of 1,000 sq. meter located at 2/1 Wongsawang Rd., Bangsue, Bangkok, One-year period, has started from 1 July 2020 to 30 June 2021. Rental fee of 430 baht/sq.meter per month including component parts such as electricity, water and parking space. The rate which is determined by comparing the market. The evaluated by the Valuation and Consultant Co., Ltd. 	2.58	<p><u>Opinions of the Board of Directors and the Audit Committee</u></p> <ul style="list-style-type: none"> - Such transaction is reasonable since the company needs the office to work on coordinating the selling goods, preparation of documents between the affiliates and buyers both domestic and foreign, bank coordination and other related organizations and has hired an outside firm to evaluate to activists about the suitability of the rental rate.
		<ul style="list-style-type: none"> - Woodtek International Co., Ltd. Has entered into the office space rental and services contract for a period of 1 year has started from 1 July 2021 to 30 June 2022. 	2.58	<ul style="list-style-type: none"> - No change in rental rates for space and services.





Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
Firstwood Co., Ltd. (con't)	<ul style="list-style-type: none"> - Related company - Has the same major shareholding group 	<ul style="list-style-type: none"> - Vanachai Woodsmith Company Limited has entered into the space rental and service agreement of the office building with an area of 1,247 sq.m., and storage area with an area of 1,937 sq.m., for a period of 1 year from September 1, 2020 to August 31, 2021. It is located at No. 2/1 Wongsawang Road, Wongsawang, Bang Sue, Bangkok. The rental rate was 350 Baht / sq.m. per month and 150 Baht / sq.m. per month, which includes any components, such as electricity, water supply, parking lots. The rental rate and service fees were determined from the market value - market rental fee by using the comparison method of market data assessed by The Valuation and Consultants Company Limited. - Vanachai Woodsmith Company Limited has contracted for office space lease and services, rental and storage services for a period of 1 year effective from September 1, 2021 to August 31 2022 	5.81	<p><u>Opinions of the Board of Directors and the Audit Committee</u></p> <ul style="list-style-type: none"> - There was an opinion that such transactions were appropriate because the Company could use such location to be the center for exhibition and public relations, provide education and learning about the products of companies in Vanachai Group, is the center of products Vanachai Group for distribution, and an office for the Company's staffs. Such transactions were reasonable and for the highest interests of the Company. External companies were hired to assess and express opinions on the appropriateness of the rental rate and service fee.
		<ul style="list-style-type: none"> - Company in the group pay the phone bill and the security services in advanced by Firstwood Co., Ltd. 	1.57	<ul style="list-style-type: none"> - According to telephone rates of TOT Public Company - The security services paid under the actual service.
		<ul style="list-style-type: none"> - Accrued expenses 	0.01	<ul style="list-style-type: none"> - Telephone charges at Firstwood Co., Ltd advance payment



Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2021 (Million Baht)	Necessary and Justification
The Vanachai Group Of Companies Co., Ltd. (con't)	- Parent company	- Electricity bill, water supply bill	0.04	- Related trading transactions are subject to mutually agreed criteria by using the criteria similar to third parties
	- Has the same major shareholding group	- Other Account payable	0.01	

9.2.2 Reasons and justification for related-party transactions

Transactions between the company and its subsidiaries with its related company are in line with normal business operation as well as normal trade conditions. Trade conditions and prices rely on the market prices or fair prices which can compare to the transactions with the outsiders to ensure that the company and its subsidiaries can maximize their benefits. All related-party transactions have been examined by the auditor.

Procedures to authorize related-party transaction

The Managing Director has been assigned by the Company's Board of Directors to approve the transactions of the related companies or persons who have mutual benefit with the company under practices of normal business operation and general trade conditions which will be correspond to the Securities and Stock Exchange Act as well as the rules, announcement, orders or regulations of The Stock Exchange of Thailand, along with the regulations involving the disclosure of the related transactions and the acquisition or sales of the major assets of the Company and its subsidiaries that must be consistent with the accounting standard set by The Association of Certified Public Accountants and Auditors of Thailand.

All transactions that involve any interest person who may constitute the conflicts of benefits or the potential conflicts of interests must receive approval from the Board of Directors attended by the Audit Committee regarding the comments on the necessity and appropriateness of the transactions. The directors with conflict of interests have no right to vote on the transactions. If the Audit Committee is not expertise on scrutinize the related-party transactions, the company will assign the independent expertise or the company's auditor to comment on the transactions for support the decision by the Boards or shareholders. The company will disclose the related party transactions in the notes to financial statements audited by the company's auditor.

9.2.3 Tendency of related-party transactions

The company has the policy to operate their business for the highest benefit to the company and its subsidiaries, therefore, under the normal trade situation, the business operation of the company and its subsidiaries which need to trade products or services from their related companies, thus the company and its subsidiaries would have inter-transaction under the condition and price as normal market or fair price that can be compared to the transaction occurred with other parties. The company had approved the authority for the management to make any business transactions which are the same conditions as ordinary party usually making business contract under the same situation without the interference power of the position of being board of directors, management or related persons. Then the company will make a summarized report for the any transaction's value that more than 500,000.00 Baht quarterly presented to the board of directors meeting.





Financial Statements

- Report of board of Directors' Responsibilities for Financial Reporting
- Financial Statements

Report of board of Directors' Responsibilities for Financial Reporting

The Board of Directors of Vanachai Group Public Company Limited is responsible for the consolidated financial statements of Vanachai Group Public Company Limited and the separate financial statements of the Company, including financial information presented in the annual report. Financial statements for the year ended December 31, 2021 were prepared in accordance with Generally Accepted Accounting Principle in Thailand by applying appropriate accounting policies and consistently complying with them along with careful judgments and reasonable estimates for preparation. In addition, important information is sufficiently disclosed to any persons using such financial statements in the notes to financial statements, reflecting the accurate, transparent, and beneficial financial status, operating results and cash flow.

The Board of Directors has established and maintained appropriate and effective internal control systems and compliance to ensure that the accounting information is correct, complete, and adequate to sustain its assets, as well as to prevent risks and frauds or any significant irregular operations.

In this regard, the Board of Directors has appointed the Audit Committee, consisting of members who are independent from internal management. They are responsible for quality of financial reports and revision of internal control systems. The Audit Committee's opinions on these issues were already presented in the Report of the Audit Committee in the annual report.

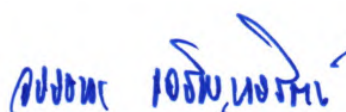
The consolidated financial statements of Vanachai Group Public Company Limited and its subsidiaries and the separate financial statements of the Company were audited by the auditors of SAM NAK-NGAN A.M.C. Company Limited. Regarding the audit, the Company had provided information and document so that the auditors would be able to audit and express their opinions according to the auditing standards. The auditor's opinions we real ready included in the Report of Auditor in the annual report.

The Board of Directors of Vanachai Group Public Company Limited is of the opinion that the Company's overall internal control system is sufficient and appropriate and provides reasonable reliability that the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company for the year ended December 31, 2021, are reliable and in compliance with Generally Accepted Accounting Principle and related rules.



(Mr.Sompop Sahawat)

Chairman



(Mr.Wanthana Jaroennawat)

Managing Director



Part 3
Financial Statements for the year ended December 31, 2021

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of VANACHAI GROUP PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated and the separate financial statements of VANACHAI GROUP PUBLIC COMPANY LIMITED and its subsidiary companies (“The Group”) and also of VANACHAI GROUP PUBLIC COMPANY LIMITED only (“The Company”), respectively, which comprise the consolidated and separate statements of financial positions as at December 31, 2021, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory notes.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of VANACHAI GROUP PUBLIC COMPANY LIMITED and its subsidiary companies and also of VANACHAI GROUP PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2021, and of their consolidated and separate 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 consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. Allowance for expected credit losses

Allowance for expected credit losses is one of key matters that the management is required to exercise judgment to identify the allowance for credit losses, expected loss rate and forward-looking to the ability of receivable to settle the debts. As aforementioned matter is significant to the financial statements and involves a significant management judgment and various assumptions applied; therefore, I have determined as a key audit matter. The accounting policies and details of allowance for expected credit losses were disclosed in notes to financial statements No. 4.2 and 7.

How my audit addressed the key audit matter

I assessed the method and gaining an understanding of the basis applied in determining the allowance for expected credit losses and reviewing the reasonableness of assumptions. I examined the adequacy of allowance for expected credit losses by testing on a sampling basis, data used in the calculation of allowance for expected credit losses, applies the simplified approach method included adjusted to reflect current and related forward-looking advance on macroeconomic factors, the status of outstanding, aging of receivable and considering the collection after the end of reporting period to identified the indication of impairment loss for individual receivable and the calculation of allowance for expected credit losses, as well as the adequacy and appropriate of disclosure in the financial statements in accordance with Thai Financial Reporting Standards.

2. Allowance for decline in value of inventories

As at December 31, 2021, the Group's inventories in amount of Baht 2,745.05 million and allowance for decline in value of inventories in amount of Baht 24.93 million and allowances for decline in value of non-movement inventories of Baht 3.85 million as in notes to financial statements No. 8. The inventories were presented at cost or net realizable value whichever was lower, which the management had to exercise an appropriate judgment in determining the amount of allowance for decline in value of inventories. The net realizable value was determined by the selling price after the reporting period and the selling price which was expected to occur.



How my audit addressed the key audit matter

I had been convinced about the appropriateness of the assumptions the management used to calculate the allowance for decline in value by participating as inventories counting observer at various warehouse locations, by randomly testing the inventories costs to ensure the recording of their costs was correctly matched the tax invoice and to ensure the allocation of their related expenses as according to Thai Financial Reporting Standard, by examining the comparison between their costs and net realizable value which were calculated from the selling price after the reporting period for goods sold after the reporting period and for goods with orders would be calculated with the agreed selling price stated in that orders, and those without would be calculated on the management approval basis, by analyzing the inventories volume and movement to specify which inventories were in low turnover rates or held for long period of time.

Other information

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

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

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

When I read the annual report of the Group, 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 consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and 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 consolidated and separate 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 consolidated and separate financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

The engagement partner on the audit resulting in this independent auditor's report is

SAM NAK-NGAN A.M.C. Co., Ltd.



(Mr. Ampol Chamnongwat)

Certified Public Accountant (Thailand) Registration No. 4663

Bangkok,

February 18, 2022



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2021

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
			(Reclassified)		
Assets					
Current assets					
Cash and cash equivalent items	6	1,481,774,107.98	1,095,638,921.13	840,045,219.69	767,793,408.09
Trade and other receivable	5.1 and 7	1,377,257,219.58	909,027,988.73	1,070,105,021.65	600,467,275.42
Revenue Department receivable		218,301,285.50	116,803,881.10	69,738,350.81	64,500,673.62
Short-term loans to related parties	5.1	-	-	55,000,000.00	77,000,000.00
Inventories	8	2,745,048,060.31	2,191,738,696.41	633,861,982.86	624,388,506.96
Maintenance supplies		634,441,045.88	618,155,278.40	234,206,095.48	221,767,443.10
Total current assets		6,456,821,719.25	4,931,364,765.77	2,902,956,670.49	2,355,917,307.19
Non-current assets					
Investments in subsidiary companies	9	-	-	6,034,598,370.00	5,840,848,370.00
Property, plant and equipment	10	12,996,331,234.58	13,413,525,980.99	2,446,717,124.19	2,610,102,426.36
Right-of-use assets	5.1 and 11	513,027,594.26	440,847,288.69	229,561,079.51	145,575,276.74
Intangible assets	12	13,659,224.08	12,753,953.18	556,847.88	1,120,799.65
Deferred tax assets	13	57,241,586.74	53,501,730.70	36,387,539.75	33,478,351.90
Other non-current assets		4,418,045.29	7,743,009.52	-	-
Total non-current assets		13,584,677,684.95	13,928,371,963.08	8,747,820,961.33	8,631,125,224.65
Total assets		20,041,499,404.20	18,859,736,728.85	11,650,777,631.82	10,987,042,531.84

Notes to financial statements are an integral part of these financial statements.

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2021

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	14	2,508,330,105.06	3,115,972,144.59	1,200,000,000.00	1,360,000,000.00
Trade and other payable	5.1 and 15	1,565,417,243.37	982,446,689.80	682,095,588.02	492,899,353.52
Advances received from customers		296,790,650.05	255,369,742.72	43,650,392.24	36,290,543.35
Current portion of long-term liabilities					
Long-term loans from financial institutions	16	1,053,900,000.00	507,000,000.00	518,000,000.00	177,000,000.00
Lease liabilities	5.1 and 17	42,701,257.33	64,452,729.10	9,284,626.72	5,500,651.42
Income tax payables		26,246,222.09	-	21,268,609.37	-
Total current liabilities		5,493,385,477.90	4,925,241,306.21	2,474,299,216.35	2,071,690,548.29
Non-current liabilities					
Long-term loans from financial institutions	16	6,206,250,000.00	6,848,500,000.00	1,641,500,000.00	2,042,500,000.00
Lease liabilities	5.1 and 17	482,557,707.14	383,633,453.07	228,115,538.92	142,523,036.01
Employee benefit obligations	18	424,717,435.37	397,846,448.39	203,374,071.33	191,857,697.00
Deferred tax liabilities	13	18,720,576.40	23,136,216.25	-	-
Other non-current liabilities		5,238,063.11	5,664,510.70	6,059,063.11	6,204,063.11
Total non-current liabilities		7,137,483,782.02	7,658,780,628.41	2,079,048,673.36	2,383,084,796.12
Total liabilities		12,630,869,259.92	12,584,021,934.62	4,553,347,889.71	4,454,775,344.41
Shareholders' equity					
Share capital					
Authorized share capital					
1,790,865,001 ordinary shares @ Baht 1.00		-	1,790,865,001.00	-	1,790,865,001.00
1,735,237,480 ordinary shares @ Baht 1.00		1,735,237,480.00	-	1,735,237,480.00	-
Issued and paid-up share capital					
1,735,237,480 ordinary shares @ Baht 1.00		1,735,237,480.00	1,735,237,480.00	1,735,237,480.00	1,735,237,480.00
Premium on ordinary shares	19 and 20	1,482,634,161.00	1,482,634,161.00	1,482,634,161.00	1,482,634,161.00
Retained earnings					
Appropriated					
Legal reserve	20	173,523,748.00	162,136,232.41	173,523,748.00	162,136,232.41
Unappropriated					
		3,965,843,467.20	2,856,978,005.64	3,706,034,353.11	3,152,259,314.02
Total shareholders' equity of the Company		7,357,238,856.20	6,236,985,879.05	7,097,429,742.11	6,532,267,187.43
Non-controlling interests of subsidiaries		53,391,288.08	38,728,915.18	-	-
Total shareholders' equity		7,410,630,144.28	6,275,714,794.23	7,097,429,742.11	6,532,267,187.43
Total liabilities and shareholders' equity		20,041,499,404.20	18,859,736,728.85	11,650,777,631.82	10,987,042,531.84

Notes to financial statements are an integral part of these financial statements.



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2021

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		(Reclassified)			
Revenue from sales		12,987,726,923.22	8,321,079,367.27	5,156,773,385.31	3,724,171,970.40
Cost of sales	8	(9,746,924,940.53)	(7,309,289,357.03)	(3,796,012,401.76)	(3,088,728,869.92)
Gross profit		3,240,801,982.69	1,011,790,010.24	1,360,760,983.55	635,443,100.48
Gain from exchange rate		53,937,930.61	40,144,358.59	24,253,516.95	8,427,979.24
Other income		2,616,681.51	21,417,619.44	26,423,229.68	27,576,091.90
Selling and distribution expenses		(1,198,998,635.61)	(947,938,039.39)	(354,711,362.49)	(287,208,349.80)
Administrative expenses		(310,150,324.28)	(366,518,653.69)	(154,577,436.34)	(153,425,441.33)
Loss from exchange rate		(58,267,312.05)	-	-	-
Management benefit expenses	5.3	(106,850,408.06)	(83,248,102.26)	(32,618,965.00)	(25,865,826.00)
Profit (loss) from operating activities		1,623,089,914.81	(324,352,807.07)	869,529,966.35	204,947,554.49
Finance cost		(291,996,085.17)	(269,834,741.78)	(112,484,242.15)	(98,374,774.21)
Profit (loss) before income tax		1,331,093,829.64	(594,187,548.85)	757,045,724.20	106,572,780.28
Income tax revenues (expenses)	23	(22,654,731.59)	(534,226.03)	(18,359,421.52)	2,137,963.96
Profit (loss) for the year		1,308,439,098.05	(594,721,774.88)	738,686,302.68	108,710,744.24
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		1,308,439,098.05	(594,721,774.88)	738,686,302.68	108,710,744.24
Profit (loss) attributable to:					
Shareholders of the Company		1,293,776,725.15	(590,479,982.24)	738,686,302.68	108,710,744.24
Non-controlling interests of the subsidiaries	9	14,662,372.90	(4,241,792.64)	-	-
Profit (loss) for the year		1,308,439,098.05	(594,721,774.88)	738,686,302.68	108,710,744.24
Total comprehensive income attributable to:					
Shareholders of the Company		1,293,776,725.15	(590,479,982.24)	738,686,302.68	108,710,744.24
Non-controlling interests of the subsidiaries	9	14,662,372.90	(4,241,792.64)	-	-
Total comprehensive income for the year		1,308,439,098.05	(594,721,774.88)	738,686,302.68	108,710,744.24
Basic earnings (loss) per share	24	0.75	(0.36)	0.43	0.07

Notes to financial statements are an integral part of these financial statements.

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2021

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premiums on share capital	Retained earnings		Total shareholders' equity - the Company	Non-controlling interests of subsidiaries	Total shareholders' equity
				Appropriated legal reserve	Unappropriated			
Balance as at January 1, 2020		1,567,006,876.00	1,020,000,000.00	156,700,695.20	3,452,893,525.09	6,196,601,096.29	42,970,707.82	6,239,571,804.11
Loss for the year		-	-	-	(590,479,982.24)	(590,479,982.24)	(4,241,792.64)	(594,721,774.88)
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	(590,479,982.24)	(590,479,982.24)	(4,241,792.64)	(594,721,774.88)
Increase share capital during the year	19	168,230,604.00	462,634,161.00	-	-	630,864,765.00	-	630,864,765.00
Legal reserve		-	-	5,435,537.21	(5,435,537.21)	-	-	-
Ending balance as at December 31, 2020		1,735,237,480.00	1,482,634,161.00	162,136,232.41	2,856,978,005.64	6,236,985,879.05	38,728,915.18	6,275,714,794.23
Profit for the year		-	-	-	1,293,776,725.15	1,293,776,725.15	14,662,372.90	1,308,439,098.05
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	1,293,776,725.15	1,293,776,725.15	14,662,372.90	1,308,439,098.05
Legal reserve	20	-	-	11,387,515.59	(11,387,515.59)	-	-	-
Dividend paid	21	-	-	-	(173,523,748.00)	(173,523,748.00)	-	(173,523,748.00)
Ending balance as at December 31, 2021		1,735,237,480.00	1,482,634,161.00	173,523,748.00	3,965,843,467.20	7,357,238,856.20	53,391,288.08	7,410,630,144.28

Notes to financial statements are an integral part of these financial statements.

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2021

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premiums on share capital	Retained earnings		Total
				Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2020		1,567,006,876.00	1,020,000,000.00	156,700,695.20	3,048,984,106.99	5,792,691,678.19
Profit for the year		-	-	-	108,710,744.24	108,710,744.24
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	108,710,744.24	108,710,744.24
Increase share capital during the year	19	168,230,604.00	462,634,161.00	-	-	630,864,765.00
Legal reserve		-	-	5,435,537.21	(5,435,537.21)	-
Ending balance as at December 31, 2020		1,735,237,480.00	1,482,634,161.00	162,136,232.41	3,152,259,314.02	6,532,267,187.43
Profit for the year		-	-	-	738,686,302.68	738,686,302.68
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	738,686,302.68	738,686,302.68
Legal reserve	20	-	-	11,387,515.59	(11,387,515.59)	-
Dividend paid	21	-	-	-	(173,523,748.00)	(173,523,748.00)
Ending balance as at December 31, 2021		1,735,237,480.00	1,482,634,161.00	173,523,748.00	3,706,034,353.11	7,097,429,742.11

Notes to financial statements are an integral part of these financial statements.

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2021

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flow from operating activities				
Profit (loss) for the year	1,308,439,098.05	(594,721,774.88)	738,686,302.68	108,710,744.24
Adjustments to reconcile profit (loss) for the year to cash received (paid)				
from operation				
Expected credit losses	-	10,594,358.20	-	9,534,102.57
Loss on diminution in value of inventories (reversal)	(24,586,011.12)	(68,225.86)	(6,007,297.77)	4,572,565.44
Loss on diminution in value of non-movement inventories	986,306.93	1,743,059.78	986,306.93	1,743,059.78
Depreciation of property, plant and equipment	973,308,486.81	948,928,855.94	243,913,926.24	245,612,113.41
Depreciation of right-of-use assets	65,930,401.91	69,618,703.74	12,701,512.88	7,743,189.01
Amortized intangible assets	3,683,333.96	2,685,744.21	1,248,526.77	880,285.33
(Gain) loss from disposed and written-off assets	63,234,977.49	(7,056,530.22)	(33,479.61)	165,651.14
Written-off assets to expenses	5,686,790.79	-	2,336,074.36	-
Loss from decrease in terminating lease contract	969,798.53	-	1,625,365.45	-
Unrealized (gain) loss on exchange rate	13,569,571.81	(13,615,950.28)	598,437.85	(1,263,806.41)
Employee benefits expenses	36,090,896.57	37,915,915.04	16,980,811.00	17,526,997.00
Interest income	(4,878,090.84)	(2,288,930.68)	(5,526,394.41)	(7,459,228.77)
Interest expenses of loans	268,289,670.29	250,765,598.59	103,228,565.04	92,609,152.53
Interest expenses of lease liabilities	23,706,414.88	19,061,140.73	9,255,677.11	5,765,621.68
Income tax (revenues) expenses	22,654,731.59	534,226.03	18,359,421.52	(2,137,963.96)
Profit from operation before changes in operating assets and liabilities	2,757,086,377.65	724,096,190.34	1,138,353,756.04	484,002,482.99
Operating assets (increase) decrease				
Trade and other receivable	(467,106,118.23)	50,758,971.36	(469,446,351.39)	(15,442,025.08)
Revenue Department receivable	(101,497,404.40)	(13,609,194.88)	(5,237,677.19)	(4,778,496.70)
Inventories	(374,579,005.11)	(402,008,461.31)	(4,452,485.06)	9,782,349.34
Maintenance supplies	35,996,151.42	(17,561,876.21)	(12,438,652.38)	1,737,198.43
Other non-current assets	3,324,964.23	1,534,758.46	-	4,313,789.01
Operating liabilities increase (decrease)				
Trade and other payable	535,181,354.11	(77,064,515.48)	163,745,153.63	24,477,346.13
Advances received from customers	41,420,907.33	196,906,808.13	7,359,848.89	15,242,417.66
Employee benefit obligations	(11,442,150.00)	(31,507,850.67)	(5,464,436.67)	(16,620,881.00)
Other non-current liabilities	(426,447.59)	1,832,419.35	(145,000.00)	2,530,406.36
Cash received from operation	2,417,958,629.41	433,377,249.09	812,274,155.87	505,244,587.14
Cash received from interest income	3,856,652.48	2,288,930.68	4,831,134.14	7,309,352.05
Cash paid for income tax	(4,543,569.63)	(797,446.46)	-	-
Net cash received from operating activities	2,417,271,712.26	434,868,733.31	817,105,290.01	512,553,939.19

Notes to financial statements are an integral part of these financial statements.



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2021

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flow from investing activities				
Cash received from short-term loans to related parties	-	-	167,000,000.00	503,000,000.00
Cash paid for short-term loans to related parties	-	-	(145,000,000.00)	(560,000,000.00)
Cash paid for investment in subsidiary companies	-	-	(193,750,000.00)	(875,250,000.00)
Cash received from sales of property, plant and equipment	22,759,580.06	11,310,593.29	674,377.04	1,131,008.16
Cash paid for purchase of property, plant and equipment	(765,748,989.95)	(1,128,904,199.28)	(58,061,329.60)	(127,768,999.50)
Cash paid for interest expenses capitalized to cost of assets	(50,286,582.25)	(69,489,909.36)	-	(1,381,690.18)
Cash paid for right-of-use assets	(1,166,678.11)	-	-	-
Cash paid for purchase of intangible assets	(4,588,604.86)	(3,280,443.26)	(684,575.00)	(667,100.00)
Net cash used in investing activities	(799,031,275.11)	(1,190,363,958.61)	(229,821,527.56)	(1,060,936,781.52)
Cash flow from financing activities				
Increase (decrease) in short-term loans from financial institutions	(610,877,396.51)	514,871,815.48	(160,000,000.00)	-
Cash paid for short-term loans from related parties	-	-	-	(70,000,000.00)
Cash received from long-term loans from financial institutions	422,000,000.00	799,000,000.00	117,000,000.00	799,000,000.00
Cash paid for long-term loans from financial institutions	(517,350,000.00)	(134,000,000.00)	(177,000,000.00)	(29,500,000.00)
Cash paid for lease liabilities	(84,795,965.59)	(79,139,473.69)	(18,191,880.00)	(11,060,400.00)
Cash received from increase of share capital	-	630,864,765.00	-	630,864,765.00
Cash paid for interest expenses of loans	(267,558,140.20)	(251,047,514.40)	(103,316,322.85)	(92,741,194.23)
Dividend paid	(173,523,748.00)	-	(173,523,748.00)	-
Net cash received from (used in) financing activities	(1,232,105,250.30)	1,480,549,592.39	(515,031,950.85)	1,226,563,170.77
Cash and cash equivalent items increase-net	386,135,186.85	725,054,367.09	72,251,811.60	678,180,328.44
Cash and cash equivalent items at the beginning of the year	1,095,638,921.13	370,584,554.04	767,793,408.09	89,613,079.65
Cash and cash equivalent items at the end of the year	1,481,774,107.98	1,095,638,921.13	840,045,219.69	767,793,408.09

Additional disclosure: -

Items not affecting cash flow are as follows: -

- Transfer property, plant and equipment to maintenance supplies	52,281,918.90	-	-	-
- Transfer property, plant and equipment to inventories	155,130,654.60	46,231,990.98	-	7,874,736.47
- Purchases of property, plant and equipment which had not yet been paid	36,601,344.52	16,333,549.74	25,444,266.26	871,416.75
- Acquisition of rights of assets under lease agreements	19,479,286.95	52,146,159.39	-	-
- Depreciation of right-of-use assets capitalized to cost of assets	343,215.54	253,184.24	-	-
- Interest expenses of lease liabilities capitalized to cost of assets	5,289.57	8,002.46	-	-
- Employee benefits expenses capitalized to cost of assets	2,222,240.41	-	-	-

Notes to financial statements are an integral part of these financial statements.

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021

1. General information

VANACHAI GROUP PUBLIC COMPANY LIMITED (the Company) was registered as a company limited on February 23, 1989 with the registration number 1656/2532 and later registered its conversion to a public company limited on November 1, 1994 with the registration number 0107537002621. The company is listed on Stock Exchange of Thailand. Its registered office is located at 2/1 Wongsawang Road, Wongsawang, Bangsue, Bangkok, Thailand. It has two factories (or branch offices) located at 22/1 Moo 1, Tambon Nong-E-Roon, Banbuang District, Chonburi Province and at 112 Moo 1, Tambon BanThat, Kangkoi District, Saraburi Province.

The principal activities of the Company and subsidiaries (collectively called the “the Group”) involve production and distribution of wood plates, MDF boards, Particle boards, Doorskin and Malamine on wood plates.

The Vanachai Group of Companies Co., Ltd. is a major shareholder, holding 55.86% of the share capital of the Vanachai Group Public Company Limited., which this company incorporated in Thailand and major business is holding company. The principal shareholder of the Company’s major shareholder are Sahawat family and Jaroennawarat family.

2. Basis of financial statements preparation and accounting policies

2.1 The financial statements are issued for reporting purposes to be used in Thailand are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

2.2 The consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals (“TFAC”) established under the Accounting Professions Act B.E. 2547 and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.



The presentation of financial statements is in accordance with the determination stated in the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act, B.E. 2543.

These financial statements were prepared by using historical cost basis except those disclosed otherwise in the accounting policies.

2.3 New financial reporting standards

2.3.1 New and revised financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting interpretations including the conceptual framework for financial reporting (new), which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.3.2 Financial reporting standard that will become effective in the future

The Federation of Accounting Professions issued a number of revised financial reporting standards, which will be effective for the financial statement for the period beginning on or after January 1, 2022 onwards. 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, for some standards, providing temporary reliefs or temporary exemptions for users. The Group's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are adopted.

2.4 Preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and in any future years affected the significant estimates and assumptions are as follows: -

Right-of-use assets and lease liabilities

In estimating the right-of-use assets and lease liabilities, the management needs to make judgement and estimated of the purchase option or renewal option exercised including review estimate useful lives and residual values of underlying asset when there are any changes.

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

Lease agreement

Lease-where the Group is the lessor, in determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding significant risk and rewards of ownership of the leased assets have been transferred, taking into consideration terms and conditions of the arrangements.

Expected credit losses

In determining the expected credit losses, the management needs to use judgment in estimating the expected losses and forecasts for the future about economic factors affecting credit risk of financial assets.



Allowance for decline in value of inventories

In determining an allowance for decline in value of inventories, the management uses the discretion in estimating the net realizable value of inventories. The sum of money expected to receive from inventories is considered from the change in sale price or cost directly related to the events occurring after of report period.

Allowances for decline in value of dilapidated inventories and non-movement inventories

Allowances for decline in value of dilapidated inventories and non-movement inventories are estimated from inventories which are subject to dilapidation and non-movement.

Property, plant and equipment and depreciation

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

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

Deferred tax assets

Deferred tax assets are recognized 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 utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

Estimate on employee benefit obligations

Provisions for post employment benefits are calculated by actuarial techniques, of which assumptions consist of discount rate, salary increation rate, turnover rate and related demographic factors. To indicate discount rate, the management considers interest rate reflecting present economic situation. However, actual post employment benefits may differ from the estimates.

Other estimates are disclosed under related caption in these notes to financial statements.

3. Basis of the consolidated financial statements preparation

3.1 The consolidated financial statements for the year ended December 31, 2021 have been prepared by including the financial statements of Vanachai Group Public Company Limited and its subsidiaries (“the Group”) after eliminate the significant related party balances and transactions. The Company holds directly and indirectly shares at the percentage of : -

<u>Name of companies</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholding</u>	
			<u>2021</u>	<u>2020</u>
Particle Planner Co., Ltd.	Manufacture particle boards	Thailand	99.99	99.99
Vanachai Chemical Industries Co., Ltd.	Manufacture glue and melamine impregnated paper products	Thailand	99.99	99.99
Vanachai Panel Industries Co., Ltd.	Manufacture particle boards and wood plate MDF boards	Thailand	99.99	99.99
Woodtek International Co., Ltd.	Marketing management for various products of the Group	Thailand	99.97	99.97
Vanachai Energy Industries Co., Ltd.	Manufacture and electricity from renewable energy	Thailand	99.99	99.99
Vanachai Woodsmith Co., Ltd.	Exhibition and distribute various products of the Group	Thailand	99.99	99.99
Vanachai Logistic Co., Ltd.	Transportation services in domestic	Thailand	99.99	99.99
Vanachai Logistic Enterprise Co., Ltd.	Transportation services in domestic	Thailand	90.52	-
PV Wood Co., Ltd.	Manufacture veneer on MDF boards	Thailand	51.00	51.00

3.2 Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.3 The Company holds directly shares in PV Wood Co., Ltd. at the percentage of 50 as mentioned in the notes to financial statements No. 9 and holds indirectly shares through a subsidiary company at the percentage of 1.

3.4 Vanachai Logistics Co., Ltd. invested in ordinary shares in Vanachai Logistics Enterprise Co., Ltd. in proportion 90.52% and the other part is the 9.43% preferred share, which is entitled to a dividend of 5% of the value of each paid-up share per year, only in the year in which the dividend is paid. And will not be entitled to a portion of the profits in the future. Onwards are prepare the consolidated financial statements, the Company calculated the investment in the subsidiary as 100%.

3.5 The consolidated financial statements have been prepared using the same accounting policy for the same accounting items and other events in the similar situation.

3.6 The accounting periods of subsidiary companies ended the same date as that of Vanachai Group Public Company Limited.



3.7 The consolidated financial statements combine the accounts of the Company and subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

4. Summary of significant accounting policies

4.1 Cash and cash equivalent items includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed duration for repayment with no obligation commitment.

4.2 Trade and other receivables

Trade and other receivables are stated at the net realisable value and recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at its present value.

The Group applies the simplified approach to measuring expected credit losses which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect current and forward-looking advance on macroeconomic factors affecting the ability of customers to pay debts. An impairment loss is recognized in profit or loss under administrative expenses

4.3 Financial assets and financial liabilities

Classification and measurement of financial assets

The Group classifies its financial assets in the following categories :

- Financial assets to be measured subsequently at fair value through other comprehensive income (FVOCI) or through profit or loss (FVPL) and
- Financial assets to be measured at amortized cost.

At initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: A financial asset will be measured at amortized cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented in profit or loss.
- FVOCI: A financial assets will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, 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. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented in profit or loss.
- FVPL: Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.



Equity instruments

The equity instruments held must be irrevocably classified to two measurement categories at fair value through profit or loss (FVPL), or at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains (losses) in the statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Classification and measurement of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measures financial liabilities at fair value. The Group reclassifies all financial liabilities as subsequently measured at amortized cost.

Derivative

Derivative are classified and measured at fair value through profit or loss unless hedge accounting is applied to the derivative contracts.

Recognition and derecognition

The Group shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. An entity shall remove a financial liability from its statement of financial position when, and only when, it is extinguished.

Impairment of financial assets

The Group recognizes allowance for expected credit losses on all debt instruments that are not measured at fair value through profit or loss. The expected credit loss is calculated as the difference between the cash flows due under the contract and the expected total cash flows that the Company expects to be settled, and discounted by the estimated effective interest rate of the financial assets at the date of acquisition.

In the event that the credit risk of the asset has not increased significantly since the initial recognition The Company measures expected credit losses based on possible defaults in the next 12 months. Whereas if the asset's credit risk increases significantly since the initial recognition losses are measured at an amount equal to the expected credit losses incurred over the remaining life of the financial instrument.

Financial assets are written off from the account when the entity expects to no longer receive the return of the contracted cash flows.



- 4.4 Inventories are valued at lower of cost using the weighted average method or net realizable value and adjusted by slow-moving or out-of-date goods (if any), which estimate from each type of goods expected to be dilapidated.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in process comprise raw materials, direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

- 4.5 Spare parts for repairs are shown at cost using the weighted average method adjusted by allowance for spare parts for repairs that are slow-moving or obsolete (if any) and will be treated as part of manufacturing cost once they are taken out for use.
- 4.6 Investments in subsidiary companies in the separate financial statements are recorded under the cost method and the recognition of the change in the investment in the statements of comprehensive income is recorded when the investment is disposed or the impairment of the investment incurred.
- 4.7 Land and assets under construction held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated impairment losses (if any). Buildings and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated depreciation and accumulated impairment losses (if any).

The cost of an item of asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

The Group's depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, to their residual values over their estimated useful life as follows: -

Land improvements	20	years
Building improvement, factory building and construction	5-30	years
Machines and equipment	5-25	years
Vehicles	5-10	years
Tools	5-10	years
Furniture and office equipment	3-5	years

The residual value, the useful life and the depreciation method of an asset will be reviewed at least at each financial year-end.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.8 General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

4.9 Intangible assets are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. Amortization is calculated over the cost of the asset less its residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows: -

Software	5	years
License	10-20	years



4.10 Leases

Leases - where the Group is the lessee

At inception of a contract, the Group assesses whether the 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 Group recognizes a right-of-use (ROU) assets and a lease liability at the lease commencement date. The ROU assets is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows: -

- Fixed payments including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price, under a purchase option that the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying assets, lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

The Group measures the ROU assets at cost, less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liability. The ROU assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term. However, if the lease transfers ownership of the underlying assets to the Group by the end of the lease term or if the cost of the ROU assets reflects that the Group will exercise a purchase option, the Group depreciates the ROU assets from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU assets is determined on the same basis as those of property, plant and equipment.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets, as follows: -

Building	1 month-3 years, plus renewal option reasonably certain to be exercised
Machines	1 month-3 years, plus renewal option reasonably certain to be exercised
Vehicles	1 month, plus renewal option reasonably certain to be exercised

The lease liability is re-measured when there is a change in future lease payments arising from the follow items: -

- A change in an index or a rate used to determine those payments
- A change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- The Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.



Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognized on a straight-line basis over the lease term.

4.11 Impairment – non financial assets

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in. An impairment loss is recognized when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually, even though there is no indicator of impairment are identified.

Impairment loss is recognized as expenses in profit or loss immediately.

Calculation of recoverable amount

- The recoverable amount is the asset's fair value less cost to sell of asset or the cash-generating unit and its value in use, whichever is higher.
- In assessing value in use of an asset, the estimated future cash flows are discounted to their present value which using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment loss

- The loss on impairment of assets excluding goodwill recognized in the prior period will be reversed if the estimation of net realizable value changes since the last impairment loss was recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization), if no impairment loss had been recognized.
- Reversals of impairment loss will be recognized as income in profit or loss immediately.

4.12 Employee benefits

Short-term employee benefits

The Group is recognized salary, wage, bonus, and social security fund are expenses on date when the transactions occur.

Post-employment benefits (Defined benefit plans)

The Group has obligations in respect of the severance payments then must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The Group calculated its obligations from post employment benefits by using projected unit credit method. The independent expert has actuarially estimated such obligations, where the principle of such estimation requires various assumptions, including future salary increase rate, turnover rate, death rate, and inflation rate.



Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income in the period in which they arise.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment.

- 4.13 Estimation of liabilities: The Group will record liability estimates whenever there is certainty that liability or obligation will occur at present legally or by estimation from the result connected with the past event. Such obligation is expected to cause damage to loss of useful or economic resources in order to make payment toward obligation and the amount to be paid is respectfully estimated. If payment made toward liability estimated is recovered fully or partly with certainty, the Group will record the recovered payment as asset separately but the amount so recorded must be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of income in the net amount after recovered expense already recognized.
- 4.14 Non-controlling interests of subsidiary companies represent the portion of book value of the net assets of the subsidiary companies under the shareholding ratio that are not held by the Group and are presented separately under the shareholders equity in the consolidated statements of financial position and net profit (loss) of the non-controlling interest are presented separately in the consolidated statements of income and the consolidated statement of comprehensive income.
- 4.15 Incomes recognition: Revenue recognized excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts with the following policies: -
- 4.15.1 Revenue from sales and services are recognized at the point in time when control of the goods and services are transferred to the customer, generally on delivery of the goods and services. Revenue from sales and services are measured at the amount of consideration received or expect to be received for delivered goods or services after deduction of returns and discounts, excluding value added tax.
- 4.15.2 Dividend income is recognized as the revenue on the date the Group has right to receive payments is established.

- 4.15.3 Government subsidies are recognized when there is reasonable assurance that the terms of the subsidy will be met and that subsidy will be received. The Group systematically recognizes government subsidies as income over the period in which they recognized the costs that the subsidies paid as compensation. The government subsidy is recognized as part of the income in profit or loss.
- 4.15.4 Interest income is recognized on an accrual basis based on the effective interest rate.
- 4.15.5 Other income is recognized on an accrual basis.
- 4.16 Expenses recognition is as follows: -
- 4.16.1 Finance cost such as interest expenses and similar costs are charged to the statements of income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.
- 4.16.2 Other expenses are recognized by accrual basis.
- 4.17 Income tax expenses comprise current tax and deferred tax. Income tax expenses is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items

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 Group recognizes deferred tax liabilities for all taxable temporary differences while they recognizes 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 utilized.

At each reporting date, the Group reviews and reduce 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 utilized.

In the consolidated financial statements, deferred tax assets and deferred tax liabilities are recognized by each company in the Group, and deferred tax asset of one company in the Group is offset against deferred tax liability of another company in the Group if, and only if, the companies concerned have a legally enforceable right to make or receive a single net payment and the companies intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

- 4.18 The calculations of basic earnings (loss) per share for the year were based on the profit (loss) for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares held by outsiders during the year.
- 4.19 Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the year-end date are translated into Baht at the rates ruling on that date. Exchange gains or losses are included as incomes or expenses in the statements of comprehensive income for the year.
- 4.20 The related person and related parties with the Group meant individuals or enterprises which have the controlling power over the Group or are controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related person or related parties also meant the associated companies and the person whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group, important management, directors or the employees of the Group who have the power to plan and control the operations of the Group including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

4.21 The sectoral business operation is disclosed under the separate business sectors of the Group, by the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

4.22 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 Group 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 Group measure fair value using valuation technique that are appropriate in the circumstances and maximizes 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 categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows: -

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Company and its subsidiaries determine 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. Inter-transaction with related companies

The Company has business transactions with subsidiary and related entities, which have the same group of shareholders or mutual directors. Such transaction which have been concluded on commercial terms and based agreed up on between the company and related parties and are in ordinary course of business which can be summarized as follow: -

5.1 Inter-assets and liabilities

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade and other receivable</u>				
- Trade receivable				
Vanachai Chemical Industries Co., Ltd.	-	-	63,825.50	-
Vanachai Panel Industries Co., Ltd.	-	-	-	68,745,548.32
Vanachai Woodsmith Co., Ltd.	-	-	67,780,347.79	22,836,057.61
PV Wood Co., Ltd.	-	-	33,480,965.54	43,841,998.10
Mae Yai Co., Ltd.	14,400,955.59	11,926,737.88	14,004,231.69	4,125,726.33
Vanachai Veneer and Plywood Co., Ltd.	11,514,709.77	6,675,576.05	-	-
Woodland Co., Ltd.	22,181,529.07	20,488,290.45	20,997,042.28	20,172,460.69
Total	48,097,194.43	39,090,604.38	136,326,412.80	159,721,791.05
- Other receivable				
Particle Planner Co., Ltd.	-	-	6,498,307.90	651,931.15
Vanachai Chemical Industries Co., Ltd.	-	-	278,616.00	-
Vanachai Panel Industries Co., Ltd.	-	-	16,461,142.66	21,007.07
Woodtek International Co., Ltd.	-	-	7,546.18	7,302.75
PV Wood Co., Ltd.	-	-	2,423,054.81	1,604,510.83
Mae Yai Co., Ltd.	1,065,600.00	-	1,065,600.00	-
Firstwood Co., Ltd.	584.22	555.01	584.22	555.01
Total	1,066,184.22	555.01	26,734,851.77	2,285,306.81
- Accrued Income				
Particle Planner Co., Ltd.	-	-	419,520.54	155,219.18
Vanachai Woodsmith Co., Ltd.	-	-	601,917.82	170,958.91
Mae Yai Co., Ltd.	33,638.77	111,741.20	-	-
Vanachai Veneer and Plywood Co., Ltd	130,084.50	77,303.53	-	-
Woodland Co., Ltd.	87,663.36	107,957.48	-	-
Total	251,386.63	297,002.21	1,021,438.36	326,178.09
Total trade and other receivable	49,414,765.28	39,388,161.60	164,082,702.93	162,333,275.95

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Short-term loans to related parties</u>				
- Particle Planner Co., Ltd.				
Beginning balance	-	-	17,000,000.00	-
Addition during the year	-	-	105,000,000.00	17,000,000.00
Repayment during the year	-	-	(87,000,000.00)	-
Ending balance	-	-	35,000,000.00	17,000,000.00
- Vanachai Panel Industries Co., Ltd.				
Beginning balance	-	-	-	-
Addition during the year	-	-	40,000,000.00	433,000,000.00
Repayment during the year	-	-	(40,000,000.00)	(433,000,000.00)
Ending balance	-	-	-	-
- Vanachai Woodsmith Co., Ltd.				
Beginning balance	-	-	60,000,000.00	20,000,000.00
Addition during the year	-	-	-	110,000,000.00
Repayment during the year	-	-	(40,000,000.00)	(70,000,000.00)
Ending balance	-	-	20,000,000.00	60,000,000.00
Total short-term loans to related parties	-	-	55,000,000.00	77,000,000.00

As at December 31, 2021 and 2020, the Company loans to subsidiary companies is in promissory note form at call and interest is carried interest rate at 3.25%-3.50% and 3.25%-4.50% per annum respectively.

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Right-of-use assets-net</u>				
The Vanachai Group of Companies Co., Ltd.	13,250,039.94	-	-	-
Mae Yai Co., Ltd.	1,931,017.69	2,574,690.26	-	-
Doctorwood Co., Ltd.	-	63,405,564.01	-	-
Firstwood Co., Ltd.	397,708,697.92	251,486,082.64	229,305,564.97	145,013,144.68
Total	412,889,755.55	317,466,336.91	229,305,564.97	145,013,144.68



(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade and other payable</u>				
- Trade payable				
Particle Planner Co., Ltd.	-	-	1,447,893.84	-
Vanachai Chemical Industries Co., Ltd.	-	-	186,012,081.87	248,014,343.29
Vanachai Panel Industries Co., Ltd.	-	-	552,415.32	658.05
Mae Yai Co., Ltd.	2,281,072.01	4,760,642.93	45,482.49	28,786.21
Vanachai Veneer and Plywood Co., Ltd.	5,069,694.24	12,011,570.69	259,990.74	629,809.49
Woodland Co., Ltd.	5,978,053.62	9,295,798.58	45,196.80	20,046.45
Total	13,328,819.87	26,068,012.20	188,363,061.06	248,693,643.49
- Other payable				
The Vanachai Group of Companies Co., Ltd.	6,206.00	-	-	-
Particle Planner Co., Ltd.	-	-	-	22,102,516.72
Vanachai Panel Industries Co., Ltd.	-	-	6,309,417.64	23,110,079.15
Woodtek International Co., Ltd.	-	-	3,361,943.04	2,086,001.06
Mae Yai Co., Ltd.	-	25,260.12	-	15,860.12
Doctorwood Co., Ltd.	-	3,236,004.82	-	-
Firstwood Co., Ltd.	-	2,315,470.75	-	1,541,760.75
Vanachai Veneer and Plywood Co., Ltd.	-	16,050.00	-	-
Woodland Co., Ltd.	588.50	35,524.00	-	-
Total	6,794.50	5,628,309.69	9,671,360.68	48,856,217.80
- Accrued expenses				
Firstwood Co., Ltd.	10,935.13	12,887.78	-	-
Total	10,935.13	12,887.78	-	-
Total trade and other payable	13,346,549.50	31,709,209.67	198,034,421.74	297,549,861.29
<u>Deposit</u>				
PV Wood Co., Ltd.	-	-	821,000.00	966,000.00
<u>Short-term loans from related parties</u>				
- Vanachai Panel Industries Co., Ltd.				
Beginning balance	-	-	-	20,000,000.00
Addition during the year	-	-	-	-
Repayment during the year	-	-	-	(20,000,000.00)
Ending balance	-	-	-	-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Short-term loans from related parties (continue)</u>				
- Vanachai Energy Industries Co., Ltd.				
Beginning balance	-	-	-	50,000,000.00
Addition during the year	-	-	-	-
Repayment during the year	-	-	-	(50,000,000.00)
Ending balance	-	-	-	-
Total short-term loans from related parties	-	-	-	-
<u>Lease liabilities</u>				
The Vanachai Group of Companies Co., Ltd.	13,352,866.07	-	-	-
Mae Yai Co., Ltd.	2,077,015.25	3,111,176.65	-	-
Doctorwood Co., Ltd.	-	66,445,132.43	-	-
Firstwood Co., Ltd.	412,104,777.15	255,979,506.36	237,107,834.04	147,450,893.11
Total	427,534,658.47	325,535,815.44	237,107,834.04	147,450,893.11
<u>Less Current portion of lease liabilities</u>				
The Vanachai Group of Companies Co., Ltd.	(831,938.92)	-	-	-
Mae Yai Co., Ltd.	(702,375.86)	(1,094,161.40)	-	-
Doctorwood Co., Ltd.	-	(19,462,160.33)	-	-
Firstwood Co., Ltd.	(12,065,930.88)	(8,723,636.10)	(8,992,295.13)	(5,193,188.72)
Total	(13,600,245.66)	(29,279,957.83)	(8,992,295.13)	(5,193,188.72)
Net	413,934,412.81	296,255,857.61	228,115,538.91	142,257,704.39
<u>Purchase of property, plant and equipment</u>				
Vanachai Panel Industries Co., Ltd.	-	-	495,100.00	-
Doctorwood Co., Ltd.	60,000.00	-	60,000.00	-
Vanachai Veneer and Plywood Co., Ltd	-	107,800.00	-	-
Woodland Co., Ltd.	-	41,355.00	-	-
Total	60,000.00	149,155.00	555,100.00	-
<u>Sales of assets</u>				
PV Wood Co., Ltd.	-	-	12,858.35	-



5.2 Inter-revenues and expenses

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Sales of goods and services</u>				
Particle Planner Co., Ltd.	-	-	32,840,988.78	3,725,174.38
Vanachai Chemical Industries Co., Ltd.	-	-	109,800.00	140,300.00
Vanachai Panel Industries Co., Ltd.	-	-	2,786,650.00	105,848,059.50
Vanachai Energy Industries Co., Ltd.	-	-	8,642.00	2,225.00
Vanachai Woodsmith Co., Ltd.	-	-	85,099,199.73	28,788,995.12
PV Wood Co., Ltd.	-	-	91,805,197.17	61,532,299.52
Mae Yai Co., Ltd.	46,209,198.49	51,963,279.56	31,221,406.00	17,957,682.00
Doctorwood Co., Ltd.	-	22,597.66	-	-
Firstwood Co., Ltd.	124,257.94	-	-	-
Vanachai Veneer and Plywood Co., Ltd.	27,211,774.51	57,163,626.67	36,890.00	5,693.60
Woodland Co., Ltd.	103,994,248.54	82,683,861.48	94,337,939.00	76,688,813.25
Related person	176,455.14	50,347.66	-	-
Total	177,715,934.62	191,883,713.03	338,246,712.68	294,689,242.37
<u>Other income</u>				
Particle Planner Co., Ltd.	-	-	5,236,140.08	133,000.00
Vanachai Chemical Industries Co., Ltd.	-	-	89,766.35	-
Vanachai Panel Industries Co., Ltd.	-	-	589,486.84	-
Woodtek International Co., Ltd.	-	-	27,368.25	27,982.50
Vanachai Woodsmith Co., Ltd.	-	-	1,804,796.26	847,823.00
PV Wood Co., Ltd..	-	-	13,012,608.27	13,954,330.55
Mae Yai Co., Ltd.	-	190,199.73	-	-
Firstwood Co., Ltd.	6,501.95	7,589.40	6,501.95	7,589.40
Woodland Co., Ltd.	272,345.72	187,444.50	272,345.72	187,444.50
Total	278,847.67	385,233.63	21,039,013.72	15,158,169.95
<u>Interest income</u>				
Particle Planner Co., Ltd.	-	-	1,157,260.25	155,219.18
Vanachai Energy Industries Co., Ltd.	-	-	962,739.73	4,432,191.78
Vanachai Woodsmith Co., Ltd.	-	-	731,917.83	1,217,671.27
Total	-	-	2,851,917.81	5,805,082.23

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Purchase of goods</u>				
Particle Planner Co., Ltd.	-	-	13,258,573.74	16,368,698.29
Vanachai Chemical Industries Co., Ltd.	-	-	891,720,352.16	690,164,691.08
Vanachai Panel Industries Co., Ltd.	-	-	12,038,353.40	13,346,126.35
Mae Yai Co., Ltd.	8,682,818.50	30,159,922.25	227,212.50	479,587.25
Vanachai Veneer and Plywood Co., Ltd.	19,979,085.50	22,096,886.50	7,653,175.50	964,700.50
Woodland Co., Ltd.	19,876,029.25	31,461,692.25	149,180.00	516,845.00
Rich Forest Co., Ltd.	-	2,972,021.50	-	2,972,021.50
Total	48,537,933.25	86,690,522.50	925,046,847.30	724,812,669.97
<u>Other expenses</u>				
The Vanachai Group of Companies Co., Ltd.	39,820.00	-	-	-
Particle Planner Co., Ltd.	-	-	720,000.00	858,547.83
Vanachai Panel Industries Co., Ltd.	-	-	34,703,125.41	6,781,753.16
Woodtek International Co., Ltd.	-	-	22,797,422.01	20,629,970.77
Vanachai Woodsmith Co., Ltd.	-	-	2,803.74	-
PV Wood Co., Ltd.	-	-	18,969.30	-
Mae Yai Co., Ltd.	-	10,920.00	-	-
Doctorwood Co., Ltd.	4,998,530.94	16,522,480.76	-	-
Firstwood Co., Ltd.	1,570,286.10	14,358,625.35	791,888.65	7,978,886.00
Vanachai Veneer and Plywood Co., Ltd.	664,830.00	357,500.00	-	-
Woodland Co., Ltd.	2,850.00	302,700.00	-	-
Total	7,276,317.04	31,552,226.11	59,034,209.11	36,249,157.76
<u>Depreciation of right-of-use assets</u>				
The Vanachai Group of Companies Co., Ltd.	779,414.10	-	-	-
Mae Yai Co., Ltd.	643,672.56	643,672.56	-	-
Doctorwood Co., Ltd.	8,236,120.65	19,766,690.85	-	-
Firstwood Co., Ltd.	21,446,658.98	12,867,629.65	12,394,895.33	7,436,571.49
Total	31,105,866.29	33,277,993.06	12,394,895.33	7,436,571.49
<u>Interest expenses of loans</u>				
Vanachai Panel Industries Co., Ltd.	-	-	-	101,095.89
Vanachai Energy Industries Co., Ltd.	-	-	-	1,057,808.22
Doctorwood Co., Ltd.	-	918,811.48	-	-
Total	-	918,811.48	-	1,158,904.11



(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Interest expenses of lease liabilities</u>				
The Vanachai Group of Companies Co., Ltd.	223,412.03	-	-	-
Mae Yai Co., Ltd.	105,838.60	132,813.83	-	-
Doctorwood Co., Ltd.	1,022,011.63	2,987,957.58	-	-
Firstwood Co., Ltd.	17,239,060.85	10,692,594.08	9,239,139.81	5,737,576.96
Total	18,590,323.11	13,813,365.49	9,239,139.81	5,737,576.96

5.3 Management benefit expenses

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	103,188,670.09	79,208,721.26	31,619,418.00	24,733,560.00
Post-employment benefits	3,661,737.97	4,039,381.00	999,547.00	1,132,266.00
Total	106,850,408.06	83,248,102.26	32,618,965.00	25,865,826.00

Short-term employee benefits in the consolidated and separate financial statements included the directors' remuneration benefits which is monthly compensation and annual bonus paid to the directors of the Company in accordance with the resolution of the shareholders' meeting as per Section 90 of the Public Limited Company Act for the years ended December 31, 2021 and 2020 in amount of Baht 5.60 million and Baht 3.00 million respectively.

5.4 Commitments with related parties

As at December 31, 2020, the Company performed leased contract of office building in 1 contract with related party for the period of 1 year with option to renew. The Company constitutes obligation commitment that has to repay leased fee by Baht 0.60 million.

As at December 31, 2020 two subsidiaries have performed leased contract of land, warehouse and two offices building in 2 contracts with two related parties for the period of 1 year with option to renew. Such subsidiaries constitutes obligation commitment that has to repay leased fee by Baht 0.46 million.

5.5 Pricing policies

<u>Trading transaction</u>	<u>Pricing policy</u>
Purchase and sale of goods	Agreed upon agreements not to lower of cost price
Expenses	According to the actual cost
Service income and commission	0.4%-3.3% of sales
Rental	Agreed upon agreements
Purchase and sale of assets	Price reference with appraisal value by independent appraisal
Interest income and expenses	3.25%-4.50% per annum
Interest expenses of lease liabilities	3.25%-4.50% per annum

5.6 Relationship

<u>Name of companies</u>	<u>Relationship</u>
The Vanachai Group of Companies Co., Ltd.	Parent company
Particle Planner Co., Ltd.	Common directors and direct shareholding
Vanachai Chemical Industries Co., Ltd.	Common directors and direct shareholding
Vanachai Panel Industries Co., Ltd.	Common directors and direct shareholding
Woodtek International Co., Ltd.	Common directors and direct shareholding
Vanachai Energy Industries Co., Ltd.	Common directors and direct shareholding
Vanachai Woodsmith Co., Ltd.	Common directors and direct shareholding
Vanachai Logistics Co., Ltd.	Common directors and direct shareholding
Vanachai Logistics Enterprise Co., Ltd.	Common directors and direct shareholding
PV Wood Co., Ltd.	Common directors and direct shareholding
Mae Yai Co., Ltd.	Same group of major shareholders
Doctorwood Co., Ltd.	Same group of major shareholders
Firstwood Co., Ltd.	Same group of major shareholders
Vanachai Veneer and Plywood Co., Ltd.	Same group of major shareholders
Woodland Co., Ltd.	Same group of major shareholders
Rich Forest Co., Ltd.	Same group of major shareholders
Related person	Directors



6. Cash and cash equivalent items

Consisted of: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	3,576,627.99	6,623,937.46	1,179,405.77	2,445,467.18
Saving account	1,457,543,287.67	1,072,940,516.15	826,955,859.56	760,507,969.73
Current account	12,063,261.26	14,242,979.77	3,909,287.23	3,597,289.23
Cheques on hand	8,000,667.13	1,242,681.95	8,000,667.13	1,242,681.95
Fixed deposit no more than 3 months	590,263.93	588,805.80	-	-
Total	1,481,774,107.98	1,095,638,921.13	840,045,219.69	767,793,408.09

7. Trade and other receivable

Consisted of: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade receivable-related parties	48,097,194.43	39,090,604.38	136,326,412.80	159,721,791.05
Trade receivable-other parties	1,185,499,607.73	744,350,044.70	860,967,551.84	385,615,374.23
Post dated cheques-other parties	22,604,445.92	54,509,668.88	16,178,025.92	37,300,527.18
Returned cheques receivable	14,695,470.84	14,695,470.84	14,695,470.84	14,695,470.84
Total trade receivable	1,270,896,718.92	852,645,788.80	1,028,167,461.40	597,333,163.30
<u>Less</u> Allowance for expected credit losses	(14,728,189.72)	(15,864,128.47)	(14,728,189.72)	(14,728,189.72)
Total trade receivable-net	1,256,168,529.20	836,781,660.33	1,013,439,271.68	582,604,973.58
Other receivable-related parties	1,066,184.22	555.01	26,734,851.77	2,285,306.81
Other receivable-other parties	36,659,224.94	22,890,202.81	1,267,189.09	5,084,233.21
Accrued income-related parties	251,386.63	297,002.21	1,021,438.36	326,178.09
Prepaid expenses	40,306,512.38	25,436,010.32	5,248,048.53	5,078,342.53
Deposits	10,869,581.08	1,147,740.00	10,744,329.08	1,106,334.00
Others	33,156,199.83	23,695,216.75	11,649,893.14	3,981,907.20
Total other receivable	122,309,089.08	73,466,727.10	56,665,749.97	17,862,301.84
<u>Less</u> Allowance for expected credit losses	(1,220,398.70)	(1,220,398.70)	-	-
Total other receivable-net	121,088,690.38	72,246,328.40	56,665,749.97	17,862,301.84
Total trade and other receivable	1,377,257,219.58	909,027,988.73	1,070,105,021.65	600,467,275.42

Outstanding trade receivable can be aged as follows: -

7.1 Trade receivable-related parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Local trade receivable				
Within credit term	47,176,146.99	38,003,305.15	79,883,413.25	55,079,933.11
Overdue 1-90 days	921,047.44	1,087,299.23	29,237,163.00	90,025,479.66
Overdue over 90 days	-	-	27,205,836.55	14,616,378.28
Total	48,097,194.43	39,090,604.38	136,326,412.80	159,721,791.05

The normal credit term granted by the Group is 60-90 days.

7.2 Trade receivable-other parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Within credit term	1,020,425,462.97	461,461,140.77	828,516,249.79	365,117,086.53
Overdue 1-90 days	187,645,871.80	310,521,897.85	48,596,609.09	57,592,184.62
Overdue 91-180 days	-	25,074,084.10	-	173,911.38
Overdue 181-270 days	-	-	-	-
Overdue over 270 days	14,728,189.72	16,498,061.70	14,728,189.72	14,728,189.72
Total	1,222,799,524.49	813,555,184.42	891,841,048.60	437,611,372.25
<u>Less</u> Allowance for expected credit losses	(14,728,189.72)	(15,864,128.47)	(14,728,189.72)	(14,728,189.72)
Net	1,208,071,334.77	797,691,055.95	877,112,858.88	422,883,182.53

The normal credit term granted by the Group is approximately from 60-90 days.



The movement of allowance for expected credit losses-trade and other receivable for the years ended December 31, 2021 and 2020, were as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Consolidated financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	(17,084,527.17)	(6,490,168.97)	(14,728,189.72)	(5,194,087.15)
Additions during the year	-	(12,254,501.27)	-	(11,034,102.57)
Collect during the year	-	1,660,143.07	-	1,500,000.00
Written-off bad debts during the year	1,135,938.75	-	-	-
Ending balance	(15,948,588.42)	(17,084,527.17)	(14,728,189.72)	(14,728,189.72)

8. Inventories

Consisted of: -

(Unit : Baht)

	<u>Consolidated financial statements</u>							
	<u>As at December 31, 2021</u>				<u>As at December 31, 2020</u>			
	<u>Cost</u>	<u>Allowance for diminution in value of inventories</u>	<u>Allowance for diminution in value of non-movement inventories</u>	<u>Net</u>	<u>Cost</u>	<u>Allowance for diminution in value of inventories</u>	<u>Allowance for diminution in value of non-movement inventories</u>	<u>Net</u>
Finished goods	1,965,115,224.51	(20,716,917.23)	(3,851,351.10)	1,940,546,956.18	1,430,806,844.76	(48,380,341.13)	(2,865,044.17)	1,379,561,459.46
Work in process	188,949,332.67	(4,209,039.02)	-	184,740,293.65	208,064,821.70	(1,131,626.24)	-	206,933,195.46
Raw materials	433,619,069.00	-	-	433,619,069.00	354,415,356.41	-	-	354,415,356.41
Supplies	167,968,242.53	-	-	167,968,242.53	204,472,141.05	-	-	204,472,141.05
Goods in transit	18,173,498.95	-	-	18,173,498.95	46,356,544.03	-	-	46,356,544.03
Total	2,773,825,367.66	(24,925,956.25)	(3,851,351.10)	2,745,048,060.31	2,244,115,707.95	(49,511,967.37)	(2,865,044.17)	2,191,738,696.41

(Unit : Baht)

	<u>Separate financial statements</u>							
	<u>As at December 31, 2021</u>				<u>As at December 31, 2020</u>			
	<u>Cost</u>	<u>Allowance for diminution in value of inventories</u>	<u>Allowance for diminution in value of non-movement inventories</u>	<u>Net</u>	<u>Cost</u>	<u>Allowance for diminution in value of inventories</u>	<u>Allowance for diminution in value of non-movement inventories</u>	<u>Net</u>
Finished goods	459,233,094.55	(2,173,425.88)	(3,851,351.10)	453,208,317.57	478,098,095.00	(9,824,185.57)	(2,865,044.17)	465,408,865.26
Work in process	93,594,841.00	(2,181,710.99)	-	91,413,130.01	64,348,986.88	(538,249.07)	-	63,810,737.81
Raw materials	44,187,396.08	-	-	44,187,396.08	51,517,576.22	-	-	51,517,576.22
Supplies	45,053,139.20	-	-	45,053,139.20	43,651,327.67	-	-	43,651,327.67
Total	642,068,470.83	(4,355,136.87)	(3,851,351.10)	633,861,982.86	637,615,985.77	(10,362,434.64)	(2,865,044.17)	624,388,506.96

The movement of allowance for diminution in value of inventories for the years ended December 31, 2021 and 2020 was as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	(49,511,967.37)	(49,580,193.23)	(10,362,434.64)	(5,789,869.20)
(Addition) Reversal during the year	24,586,011.12	68,225.86	6,007,297.77	(4,572,565.44)
Ending balance	<u>(24,925,956.25)</u>	<u>(49,511,967.37)</u>	<u>(4,355,136.87)</u>	<u>(10,362,434.64)</u>

The movement of allowances for diminution in value of non-movement inventories for the years ended December 31, 2021 and 2020 was as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Beginning balance	(2,865,044.17)	(1,121,984.39)	(2,865,044.17)	(1,121,984.39)
Increased during the year	(986,306.93)	(1,743,059.78)	(986,306.93)	(1,743,059.78)
Ending balance	<u>(3,851,351.10)</u>	<u>(2,865,044.17)</u>	<u>(3,851,351.10)</u>	<u>(2,865,044.17)</u>

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cost of inventories record as expenses and include				
in the cost of goods sold				
- Cost of goods sold	9,770,524,644.72	7,307,614,523.11	3,801,033,392.60	3,082,413,244.70
- Written down value to net realizable value (reversal)	(24,586,011.12)	(68,225.86)	(6,007,297.77)	4,572,565.44
- Diminution in value of non-movement inventories	986,306.93	1,743,059.78	986,306.93	1,743,059.78
Net	<u>9,746,924,940.53</u>	<u>7,309,289,357.03</u>	<u>3,796,012,401.76</u>	<u>3,088,728,869.92</u>



9. Investments in subsidiary companies

Consisted of: -

(Unit : Baht)

Name of companies	Paid-up share capital		Percentage of		Investment cost method		Dividend	
	(Unit : Thousand Baht)		Shareholding (%)		As at December 31,		For the year ended December 31,	
	2021	2020	2021	2020	2021	2020	2021	2020
Vanachai Panel Industries Co., Ltd.	4,750,000	4,750,000	99.99	99.99	4,749,999,930.00	4,749,999,930.00	-	-
Particle Planner Co., Ltd.	250,000	250,000	99.99	99.99	249,999,300.00	249,999,300.00	-	-
Vanachai Chemical Industries Co., Ltd.	150,000	150,000	99.99	99.99	149,999,930.00	149,999,930.00	-	-
Woodtek International Co., Ltd.	2,000	2,000	99.97	99.97	1,999,300.00	1,999,300.00	-	-
Vanachai Energy Industries Co., Ltd.	613,600	496,600	99.99	99.99	613,599,970.00	496,599,970.00	-	-
Vanachai Woodsmith Co., Ltd.	200,000	160,000	99.99	99.99	199,999,970.00	159,999,970.00	-	-
Vanachai Logistic Co., Ltd.	50,000	13,250	99.99	99.99	49,999,970.00	13,249,970.00	-	-
PV Wood Co., Ltd.	38,000	38,000	50.00	50.00	19,000,000.00	19,000,000.00	-	-
Total					6,034,598,370.00	5,840,848,370.00	-	-

The movement of investments in a subsidiary company for the year ended December 31, 2021 was as follows: -

(Unit : Baht)

	Separate financial statement
Beginning balance	5,840,848,370.00
Invested in Vanachai Energy Industries Co., Ltd.	117,000,000.00
Invested in Vanachai Woodsmith Co., Ltd.	40,000,000.00
Invested in Vanachai Logistic Co., Ltd.	36,750,000.00
Ending balance	6,034,598,370.00

In accordance with the minutes of extraordinary shareholders' meeting No. 1/2019 of Vanachai Energy Industries Co., Ltd. held on June 3, 2019, the subsidiary company has resolution to increase the share capital by issuing new ordinary shares 60,000,000 shares. The subsidiary company called for the first to the paid-up capital at Baht 2.50 per share in amount of Baht 150.00 million and registered the increase in share capital with the Ministry of Commerce on June 6, 2019, called for the second payment at Baht 2.00 per share in amount of Baht 120.00 million on May 15, 2020, called for the third payment at Baht 1.95 per share in amount of Baht 117.00 million on July 29, 2020 and called for the fourth payment at Baht 1.60 per share in amount of Baht 96.00 million on November 5, 2020 and called for the fifth payment at Baht 0.70 per share in amount of Baht 42.00 million on February 15, 2021 and called for the sixth payment at Baht 1.25 per share in amount of Baht 75.00 million on May 25, 2021.

In accordance with the minutes of extraordinary shareholders' meeting No. 1/2021 of Vanachai Woodsmith Co., Ltd. held on January 15, 2021, the subsidiary company has resolution to increase the share capital by issuing new ordinary shares 4,000,000 shares. The subsidiary company called for the paid-up capital 4 times January 19, 21, 22 and 27, 2021 in amount of Baht 40.00 million registered the increase in share capital with the Ministry of Commerce on January 21, 2021.

In accordance with the minutes of extraordinary shareholders' meeting No. 1/2020 of Vanachai Logistics Co., Ltd. held on December 3, 2020, the subsidiary company has resolution to increase the share capital by issuing new ordinary shares 4,900,000 shares. The subsidiary company called for the first to the paid-up capital at Baht 2.50 per share in amount of Baht 12.25 million and registered the increase in share capital with the Ministry of Commerce on December 8, 2020 called for the second payment at Baht 7.50 per share in amount of Baht 36.75 million on March 10, 2021.

Subsidiary with material non-controlling interests

Name	(Unit : Baht)					
	<u>Proportion of ownership</u>		<u>Total comprehensive</u>		<u>Accumulated</u>	
	<u>interests held by the</u>		<u>income allocated to</u>		<u>non-controlling</u>	
	<u>non-controlling interests</u>		<u>non-controlling interests</u>		<u>interests</u>	
	<u>as at December 31,</u>		<u>for the year ended December 31,</u>		<u>as at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
PV Wood Co., Ltd.	49.00%	49.00%	14,662,372.90	(4,241,792.64)	53,391,288.08	38,728,915.18

Summarized financial information for PV Wood Co., Ltd. before eliminations is as follow: -

	(Unit : Baht)	
	<u>2021</u>	<u>2020</u>
Current assets	167,599,392.59	153,084,206.43
Non-current assets	155,457,003.82	191,177,647.82
Total assets	323,056,396.41	344,261,854.25
Current liabilities	(87,007,794.67)	(110,696,525.98)
Non-current liabilities	(127,086,789.35)	(154,526,725.88)
Total liabilities	(214,094,584.02)	(265,223,251.86)
Net assets	108,961,812.39	79,038,602.39
Non-controlling interests	53,391,288.08	38,728,915.18



(Unit : Baht)

For the year ended December 31,

	<u>2021</u>	<u>2020</u>
Revenue	345,388,814.57	272,683,734.86
Profit (loss) for the year attributable to the Company's shareholders	15,260,837.10	(4,414,927.04)
Profit (loss) for the year attributable to non-controlling interests	14,662,372.90	(4,241,792.64)
Profit (loss) for the year	29,923,210.00	(8,656,719.68)
Other comprehensive income for the year	-	-
Total comprehensive income attributable to the Company's shareholders	15,260,837.10	(4,414,927.04)
Total comprehensive income attributable to non-controlling interests	14,662,372.90	(4,241,792.64)
Total comprehensive income for the year	29,923,210.00	(8,656,719.68)
Net cash received from operating activities	9,786,197.58	4,584,774.19
Net cash used in investing activities	(8,048.16)	(709,795.30)
Net cash used in financing activities	(11,226,000.00)	(13,560,000.00)
Cash and cash equivalent items decrease-net	(1,447,850.58)	(9,685,021.11)

10. Property, plant and equipment

(Unit : Baht)

	Consolidated financial statements							Total
	Land and land improvements	Building improvements, factory building and construction	Machines and equipment	Vehicles	Tools	Furniture and office equipment	Construction in progress	
Cost: -								
As at January 1, 2020	656,055,915.22	2,971,676,636.21	21,359,892,754.74	428,987,100.50	387,968,829.29	179,354,495.54	2,530,481,753.65	28,514,417,485.15
Purchase	-	4,246,193.28	38,284,039.59	2,791,868.23	7,218,443.14	5,957,467.50	1,087,000,923.98	1,145,498,935.72
Interest expenses capitalized to cost of asset	-	-	-	-	-	-	69,489,909.36	69,489,909.36
Transfer in	-	160,943,516.05	491,100,325.63	-	20,973,904.32	5,367,411.48	4,738,407.58	683,123,565.06
Transfer out	-	-	(70,074,977.89)	-	-	(14,938,156.21)	(644,342,421.94)	(729,355,556.04)
Sale/Written-off	-	(14,999.18)	(22,877,693.94)	(5,031,609.66)	(4,532,382.98)	(1,510,155.04)	-	(33,966,840.80)
As at December 31, 2020	656,055,915.22	3,136,851,346.36	21,796,324,448.13	426,747,359.07	411,628,793.77	174,231,063.27	3,047,368,572.63	29,649,207,498.45
Purchase	2,107,729.00	2,561,531.10	95,839,589.53	34,326,276.04	8,619,335.74	4,283,379.62	654,612,493.44	802,350,334.47
Interest expenses capitalized to cost of asset	-	-	-	-	-	-	50,286,582.25	50,286,582.25
Transfer in	-	507,956,099.85	2,700,852,064.17	5,644,439.25	5,118,388.04	4,553,679.29	5,039,862.12	3,229,164,532.72
Transfer out	-	-	(69,770,160.46)	-	-	-	(3,369,922,991.03)	(3,439,693,151.49)
Sale/Written-off	(495,065.49)	(4,281,816.54)	(111,202,599.98)	(18,318,274.12)	(3,057,099.75)	(972,245.90)	-	(138,327,101.78)
As at December 31, 2021	657,668,578.73	3,643,087,160.77	24,412,043,341.39	448,399,800.24	422,309,417.80	182,095,876.28	387,384,519.41	30,152,988,694.62
Accumulated depreciation: -								
As at January 1, 2020	-	(1,324,369,029.29)	(13,203,219,699.85)	(321,902,556.47)	(320,739,858.62)	(146,234,295.02)	-	(15,316,465,439.25)
Depreciation for the year	-	(99,112,396.61)	(789,850,030.49)	(25,354,067.12)	(23,289,187.32)	(11,323,174.40)	-	(948,928,855.94)
Transfer in	-	240,823.38	-	-	-	17,693,127.67	-	17,933,951.05
Transfer out	-	-	-	(36,021.59)	(17,897,929.46)	-	-	(17,933,951.05)
Sale/Written-off	-	10,369.36	20,253,669.91	3,920,755.61	4,279,497.13	1,248,485.72	-	29,712,777.73
As at December 31, 2020	-	(1,423,230,233.16)	(13,972,816,060.43)	(343,371,889.57)	(357,647,478.27)	(138,615,856.03)	-	(16,235,681,517.46)
Depreciation for the year	-	(106,006,640.62)	(811,576,452.37)	(23,303,955.06)	(20,738,096.36)	(11,683,342.40)	-	(973,308,486.81)
Sale/Written-off	-	3,878,365.58	29,104,001.17	15,904,962.76	2,486,618.00	958,596.72	-	52,332,544.23
As at December 31, 2021	-	(1,525,358,508.20)	(14,755,288,511.63)	(350,770,881.87)	(375,898,956.63)	(149,340,601.71)	-	(17,156,657,460.04)
Book value: -								
As at December 31, 2020	656,055,915.22	1,713,621,113.20	7,823,508,387.70	83,375,469.50	53,981,315.50	35,615,207.24	3,047,368,572.63	13,413,525,980.99
As at December 31, 2021	657,668,578.73	2,117,728,652.57	9,656,754,829.76	97,628,918.37	46,410,461.17	32,755,274.57	387,384,519.41	12,996,331,234.58

The depreciation in the statements of comprehensive income

For the year ended December 31, 2020	948,928,855.94
For the year ended December 31, 2021	973,308,486.81



Separate financial statements								
	Land and land improvements	Building improvements, factory building and construction	Machines and equipment	Vehicles	Tools	Furniture and office equipment	Construction in progress	Total
Cost: -								
As at January 1, 2020	331,277,637.39	1,159,552,788.52	5,664,896,517.04	58,092,056.42	209,004,403.06	44,487,420.79	137,996,146.05	7,605,306,969.27
Purchase	-	162,238.49	18,969,178.19	1,177,037.38	5,028,258.51	1,125,261.08	102,178,442.60	128,640,416.25
Interest expenses capitalized to cost of assets	-	-	-	-	-	-	1,381,690.18	1,381,690.18
Transfer in	-	15,418,320.10	248,006,825.16	-	554,205.13	-	3,751,156.25	267,730,506.64
Transfer out	-	-	(27,725,629.91)	-	-	-	(240,004,876.73)	(267,730,506.64)
Transfer out to inventories	-	-	(4,328,390.84)	-	-	-	(3,546,345.63)	(7,874,736.47)
Sale/Written-off	-	-	-	(4,254,099.38)	(2,791,368.01)	(545,118.97)	-	(7,590,586.36)
As at December 31, 2020	331,277,637.39	1,175,133,347.11	5,899,818,499.64	55,014,994.42	211,795,498.69	45,067,562.90	1,756,212.72	7,719,863,752.87
Purchase	2,107,729.00	50,000.00	25,972,080.99	8,929,292.00	2,433,024.37	1,589,189.47	42,424,280.03	83,505,595.86
Transfer in	-	1,685,446.28	11,841,990.43	-	1,686,969.50	-	349,810.90	15,564,217.11
Transfer out	-	-	(12,018,219.43)	-	-	-	(5,882,072.04)	(17,900,291.47)
Sale/Written-off	-	-	-	(4,150,876.00)	(1,201,157.75)	(508,222.00)	-	(5,860,255.75)
As at December 31, 2021	333,385,366.39	1,176,868,793.39	5,925,614,351.63	59,793,410.42	214,714,334.81	46,148,530.37	38,648,231.61	7,795,173,018.62
Accumulated depreciation: -								
As at January 1, 2020	-	(436,318,196.63)	(4,177,730,279.78)	(37,496,415.84)	(179,036,559.53)	(39,861,688.38)	-	(4,870,443,140.16)
Depreciation for the year	-	(38,876,520.30)	(188,972,775.99)	(3,651,743.46)	(12,310,800.48)	(1,800,273.18)	-	(245,612,113.41)
Sale/Written-off	-	-	-	3,206,688.17	2,547,199.74	540,039.15	-	6,293,927.06
As at December 31, 2020	-	(475,194,716.93)	(4,366,703,055.77)	(37,941,471.13)	(188,800,160.27)	(41,121,922.41)	-	(5,109,761,326.51)
Depreciation for the year	-	(39,219,841.41)	(189,781,252.91)	(3,194,938.94)	(10,028,018.92)	(1,689,874.06)	-	(243,913,926.24)
Sale/Written-off	-	-	-	3,543,399.37	1,180,376.61	495,582.34	-	5,219,358.32
As at December 31, 2021	-	(514,414,558.34)	(4,556,484,308.68)	(37,593,010.70)	(197,647,802.58)	(42,316,214.13)	-	(5,348,455,894.43)
Book value: -								
As at December 31, 2020	331,277,637.39	699,938,630.18	1,533,115,443.87	17,073,523.29	22,995,338.42	3,945,640.49	1,756,212.72	2,610,102,426.36
As at December 31, 2021	333,385,366.39	662,454,235.05	1,369,130,042.95	22,200,399.72	17,066,532.23	3,832,316.24	38,648,231.61	2,446,717,124.19
The depreciation in the statements of comprehensive income								
For the year ended December 31, 2020								245,612,113.41
For the year ended December 31, 2021								243,913,926.24

For the years ended December 31, 2021 and 2020, the Group had capitalize to cost of construction in progress in the consolidated financial statement amount of Baht 50.29 million and Baht 69.49 million respectively and for year ended December 31, 2020 in the separate financial statements amount of Baht 1.38 million by calculating from the interest rate of specific loan utilized for the investment in the said assets.

As at December 31, 2021 and 2020, in the consolidated financial statements the Group had the assets which had not the depreciation but they still used. The cost price was Baht 7,752.60 million, the book value was Baht 75.70 million and the cost price was Baht 6,961.28 million, the book value was Baht 66.80 million respectively.

As at December 31, 2021 and 2020, in the separate financial statements the Company had the assets which had not the depreciation but they still used. The cost price was Baht 3,640.32 million, the book value was Baht 38.26 million and the cost price was 3,440.64 million, the book value was Baht 35.08 million respectively.

As at December 31, 2021 and 2020, the Group has pledged the part of land, property and machinery with the book value stated in the consolidated financial statements of Baht 8,631.98 million and Baht 9,089.93 million respectively, and in the separate financial statements of Baht 5,583.22 million and Baht 1,887.54 million respectively, to guarantee against credit facility of the Company that receives from commercial banks and financial institutions according to the notes to financial statements No. 14 and 16. Furthermore, as at December 31, 2021 and 2020 part of land has amount of Baht 14.91 million for both years was the Company's land which acquired from a subsidiary at book value and registered such land for the permission enforcement upon the pathway and other public utilities for other pieces of land belonging to the said subsidiary whom sold that piece of land.

As at December 31, 2021 and 2020, a part of the land that the Group had plans to use them objectively in future for business expansion in amount of Baht 66.96 million for both years.



11. Right-of-use assets and lease liabilities

(Unit : Baht)

	Consolidated financial statements			
	Building	Machines	Vehicles	Total
Right-of-use assets: -				
As at January 1, 2020	422,756,005.19	32,598,649.28	3,218,362.82	458,573,017.29
Increased during the year	43,912,848.47	1,829,572.59	6,403,738.32	52,146,159.38
As at December 31, 2020	466,668,853.66	34,428,221.87	9,622,101.14	510,719,176.67
Increased during the year	16,904,538.32	778,840.00	2,962,586.74	20,645,965.06
Changes in lease agreements during the year	116,238,220.96	-	-	116,238,220.96
As at December 31, 2021	599,811,612.94	35,207,061.87	12,584,687.88	647,603,362.69
Accumulated depreciation: -				
As at January 1, 2020	-	-	-	-
Depreciation capitalized to cost of assets	-	(253,184.24)	-	(253,184.24)
Depreciation for portion shown in profit or loss	(50,771,509.22)	(17,569,750.41)	(1,277,444.11)	(69,618,703.74)
As at December 31, 2020	(50,771,509.22)	(17,822,934.65)	(1,277,444.11)	(69,871,887.98)
Changes in lease agreements during the year	1,569,737.00	-	-	1,569,737.00
Depreciation capitalized to cost of assets	-	(343,215.54)	-	(343,215.54)
Depreciation for portion shown in profit or loss	(51,921,059.25)	(12,863,304.62)	(1,146,038.04)	(65,930,401.91)
As at December 31, 2021	(101,122,831.47)	(613,235.04)	(2,423,482.15)	(134,575,768.43)
Book value: -				
As at December 31, 2020	415,897,344.44	16,605,287.22	8,344,657.03	440,847,288.69
As at December 31, 2021	498,688,781.47	4,177,607.06	10,161,205.73	513,027,594.26
The depreciation in the statements of comprehensive income				
For the year ended December 31, 2020				69,618,703.74
For the year ended December 31, 2021				65,930,401.91

(Unit : Baht)

	<u>Separate financial statements</u>		
	Building	Machines	Total
Right-of-use assets: -			
As at January 1, 2020	152,449,716.17	868,749.58	153,318,465.75
Increased during the year	-	-	-
As at December 31, 2020	152,449,716.17	868,749.58	153,318,465.75
Changes in lease agreements during the year	101,645,639.53	-	101,645,639.53
As at December 31, 2021	254,095,355.70	868,749.58	254,964,105.28
Accumulated depreciation: -			
As at January 1, 2020	-	-	-
Depreciation for the year	(7,436,571.52)	(306,617.49)	(7,743,189.01)
As at December 31, 2020	(7,436,571.52)	(306,617.49)	(7,743,189.01)
Changes in lease agreements during the year	(4,958,323.88)	-	(4,958,323.88)
Depreciation for the year	(12,394,895.33)	(306,617.55)	(12,701,512.88)
As at December 31, 2021	(24,789,790.73)	(613,235.04)	(25,403,025.77)
Book value: -			
As at December 31, 2020	145,013,144.65	562,132.09	145,575,276.74
As at December 31, 2021	229,305,564.97	255,514.54	229,561,079.51

The depreciation in the statements of comprehensive income

For the year ended December 31, 2020	7,743,189.01
For the year ended December 31, 2021	12,701,512.88

Right-of-use assets consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated financial statement</u>	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Right-of-use assets-related parties	412,889,755.55	317,466,336.91
Right-of-use assets-other parties	100,137,838.71	123,380,951.78
Total right-of-use assets	513,027,594.26	440,847,288.69

(Unit : Thousand Baht)

	<u>Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Right-of-use assets-related parties	229,305,564.97	145,013,144.68
Right-of-use assets-other parties	255,514.54	562,132.06
Total right-of-use assets	229,561,079.51	145,575,276.74



12. Intangible assets

(Unit : Baht)

	Consolidated financial statements		
	Software	License	Total
Cost: -			
As at January 1, 2020	19,986,527.50	17,236,280.80	37,222,808.30
Purchase	3,046,843.26	233,600.00	3,280,443.26
As at December 31, 2020	23,033,370.76	17,469,880.80	40,503,251.56
Purchase	4,449,954.86	138,650.00	4,588,604.86
As at December 31, 2021	27,483,325.62	17,608,530.80	45,091,856.42
Amortized: -			
As at January 1, 2020	(8,410,988.59)	(16,652,565.58)	(25,063,554.17)
Amortized for the year	(2,569,164.56)	(116,579.65)	(2,685,744.21)
As at December 31, 2020	(10,980,153.15)	(16,769,145.23)	(27,749,298.38)
Amortized for the year	(3,482,614.76)	(200,719.20)	(3,683,333.96)
As at December 31, 2021	(14,462,767.91)	(16,969,864.43)	(31,432,632.34)
Book value: -			
As at December 31, 2020	12,053,217.61	700,735.57	12,753,953.18
As at December 31, 2021	13,020,557.71	638,666.37	13,659,224.08

The amortized in the statements of comprehensive income

For the year ended December 31, 2020	2,685,744.21
For the year ended December 31, 2021	3,683,333.96

(Unit : Baht)

	Separate financial statements		
	Software	License	Total
Cost: -			
As at January 1, 2020	5,838,878.28	3,713,750.00	9,552,628.28
Purchase	525,500.00	141,600.00	667,100.00
As at December 31, 2020	6,364,378.28	3,855,350.00	10,219,728.28
Purchase	545,925.00	138,650.00	684,575.00
As at December 31, 2021	6,910,303.28	3,994,000.00	10,904,303.28
Amortized: -			
As at January 1, 2020	(4,504,893.30)	(3,713,750.00)	(8,218,643.30)
Amortized for the year	(832,825.99)	(47,459.34)	(880,285.33)
As at December 31, 2020	(5,337,719.29)	(3,761,209.34)	(9,098,928.63)
Amortized for the year	(1,116,738.74)	(131,788.03)	(1,248,526.77)
As at December 31, 2021	(6,454,458.03)	(3,892,997.37)	(10,347,455.40)
Book value: -			
As at December 31, 2020	1,026,658.99	94,140.66	1,120,799.65
As at December 31, 2021	455,845.25	101,002.63	556,847.88

The amortized in the statements of comprehensive income

For the year ended December 31, 2020	880,285.33
For the year ended December 31, 2021	1,248,526.77

13. Deferred tax assets (liabilities)

Deferred tax assets and liabilities as at December 31, 2021 and 2020 were as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets	57,241,586.74	53,501,730.70	36,387,539.75	33,478,351.90
Deferred tax liabilities	(18,720,576.40)	(23,136,216.25)	-	-
Net	38,521,010.34	30,365,514.45	36,387,539.75	33,478,351.90



Movements in total deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 were as follows: -

(Unit : Baht)

	Consolidated financial statements		
	As at	(Charged)/credited	As at
	January 1,2021	to profit or loss (Note 23)	December 31,2021
Deferred tax assets			
Trade and other receivable	2,905,311.23	-	2,905,311.23
Inventories	1,005,964.77	(214,932.66)	791,032.11
Property, plant and equipment	(10,764,664.37)	(208,923.16)	(10,973,587.53)
Right-of-use assets	(103,508,254.40)	2,410,289.91	(101,097,964.49)
Lease liabilities	105,264,097.63	(1,105,065.64)	104,159,031.99
Employee benefit obligations	58,599,275.84	2,858,487.59	61,457,763.43
Total	53,501,730.70	3,739,856.04	57,241,586.74
Deferred tax liabilities			
Trade and other receivable	244,079.74	-	244,079.74
Inventories	5,080,464.59	(2,947,729.78)	2,132,734.81
Property, plant and equipment	(50,515,312.97)	5,450,045.36	(45,065,267.61)
Right-of-use assets	(15,304,571.30)	6,372,878.74	(8,931,692.56)
Lease liabilities	16,389,109.83	(6,975,264.26)	9,413,845.57
Employee benefit obligations	20,970,013.86	2,515,709.79	23,485,723.65
Total	(23,136,216.25)	4,415,639.85	(18,720,576.40)
Net	30,365,514.45	8,155,495.89	38,384,551.08

(Unit : Baht)

	Consolidated financial statements		
	As at	(Charged)/credited	As at
	January 1,2020	to profit or loss (Note 23)	December 31,2020
Deferred tax assets			
Trade and other receivable	998,490.72	1,906,820.51	2,905,311.23
Inventories	881,273.27	124,691.50	1,005,964.77
Property, plant and equipment	(10,558,207.82)	(206,456.55)	(10,764,664.37)
Right-of-use assets	(72,204,220.23)	(31,304,034.17)	(103,508,254.40)
Lease liabilities	72,204,220.23	33,059,877.40	105,264,097.63
Employee benefit obligations	58,957,545.40	(358,269.56)	58,599,275.84
Total	50,279,101.57	3,222,629.13	53,501,730.70
Deferred tax liabilities			
Trade and other receivable	268,343.46	(24,263.72)	244,079.74
Inventories	5,314,742.37	(234,277.78)	5,080,464.59
Property, plant and equipment	(44,675,201.73)	(5,840,111.24)	(50,515,312.97)
Right-of-use assets	(21,982,195.41)	6,677,624.11	(15,304,571.30)
Lease liabilities	21,982,195.41	(5,593,085.58)	16,389,109.83
Employee benefit obligations	19,330,131.39	1,639,882.47	20,970,013.86
Total	(19,761,984.51)	(3,374,231.74)	(23,136,216.25)
Net	30,517,117.06	(151,602.61)	30,365,514.45

(Unit : Baht)

	Separate financial statements		
	(Charged)/credited		
	As at January 1,2021	to profit or loss (Note 23)	As at December 31,2021
Deferred tax assets			
Trade and other receivable	2,905,311.23	-	2,905,311.23
Inventories	737,775.46	(33,322.74)	704,452.72
Lease liabilities	29,604,737.49	17,875,295.64	47,480,033.13
Employee benefit obligations	38,371,539.41	2,303,274.87	40,674,814.28
Total	71,619,363.59	20,145,247.77	91,764,611.36
Deferred tax liabilities			
Property, plant and equipment	(9,025,956.34)	(438,899.37)	(9,464,855.71)
Right-of-use assets	(29,115,055.35)	(16,797,160.55)	(45,912,215.90)
Total	(38,141,011.69)	(17,236,059.92)	(55,377,071.61)
Net	33,478,351.90	2,909,187.85	36,387,539.75

(Unit : Baht)

	Separate financial statements		
	(Charged)/credited		
	As at January 1,2020	to profit or loss (Note 23)	As at December 31,2020
Deferred tax assets			
Trade and other receivable	998,490.72	1,906,820.51	2,905,311.23
Inventories	738,540.25	(764.79)	737,775.46
Lease liabilities	30,663,693.15	(1,058,955.66)	29,604,737.49
Employee benefit obligations	38,190,316.20	181,223.21	38,371,539.41
Total	70,591,040.32	1,028,323.27	71,619,363.59
Deferred tax liabilities			
Property, plant and equipment	(8,586,959.23)	(438,997.11)	(9,025,956.34)
Right-of-use assets	(30,663,693.15)	1,548,637.80	(29,115,055.35)
Total	(39,250,652.38)	1,109,640.69	(38,141,011.69)
Net	31,340,387.94	2,137,963.96	33,478,351.90

As at December 31, 2021 and 2020, the Group had temporary differences mainly arising from the unutilized tax losses carry forward totaling Baht 2,238.46 million and Baht 2,591.40 million respectively which have not been recognized as deferred tax assets in the statement of financial position (because it is not probable that it will be able to utilize the tax benefit in the foreseeable future).



14. Short-term loans from financial institutions

Consisted of: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trust receipt	288,330,105.06	451,159,164.59	-	-
Export loans	-	164,812,980.00	-	-
Promissory note	2,220,000,000.00	2,500,000,000.00	1,200,000,000.00	1,360,000,000.00
Total	<u>2,508,330,105.06</u>	<u>3,115,972,144.59</u>	<u>1,200,000,000.00</u>	<u>1,360,000,000.00</u>

As at December 31, 2021 and 2020, the Group held bank overdrafts, trust receipt, letters of credit and promissory note facilities from several financial institutions as mentioned in the notes to financial statements No. 27.1 which bearing the interest rates at 1.47%-3.75% per annum and 1.48%-5.25% per annum respectively.

As at December 31, 2020, the subsidiary has export loans which bearing the interest rates 3.25% per annum, the above credit facilities are guaranteed by the collateral with long-term loans as mentioned in the note to financial statement No.16.

Such credit facility line is pledged by mortgaged register of land, property and machinery as mentioned in the notes to financial statements No. 10. Furthermore, the benefit from the insurance of those assets was forfeited to the lenders. Also the Company and its subsidiaries jointly gave guarantees and the Company has to maintain the shareholding proportion for 99.99% in a subsidiary until all loan obligations have been completely repaid. In addition, a subsidiary has to comply with conditions stipulated in the loan agreements as mentioned in the notes to financial statements No. 16. In addition, under conditions of the trust receipt agreement. The subsidiary company would receive imported goods by using credit facility from financial institution, thus the subsidiary company has obligation to that financial institution for the value of imported goods, both being stored or already sold.

15. Trade and other payable

Consisted of: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payable-related parties	13,328,819.87	26,068,012.20	188,363,061.06	248,693,643.49
Trade payable-other parties	512,401,145.28	358,220,999.02	130,418,998.23	53,384,139.41
Other payable-related parties	6,794.50	5,628,309.69	9,671,360.68	48,856,217.80
Other payable-other parties	735,750,816.68	453,056,230.07	226,907,711.10	114,277,677.69
Accrued expenses-related parties	10,935.13	12,887.78	-	-
Accrued expenses-other parties	297,323,629.25	127,204,029.93	124,966,873.55	21,345,527.56
Others	6,595,102.66	12,256,221.11	1,767,583.40	6,342,147.57
Total	1,565,417,243.37	982,446,689.80	682,095,588.02	492,899,353.52

16. Long-term loans from financial institutions

Consisted of: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Long-term loan (Credit line of Baht 200 million)	-	30,000,000.00	-	30,000,000.00
Long-term loan (Credit line of Baht 800 million)	-	150,000,000.00	-	-
Long-term loan (Credit line of Baht 200 million)	96,000,000.00	120,000,000.00	96,000,000.00	120,000,000.00
Long-term loan (Credit line of Baht 150 million)	70,000,000.00	90,000,000.00	70,000,000.00	90,000,000.00
Long-term loan (Credit line of Baht 2,200 million)	1,665,000,000.00	1,725,000,000.00	-	-
Long-term loan (Credit line of Baht 2,000 million)	1,940,000,000.00	2,000,000,000.00	-	-
Long-term loan (Credit line of Baht 750 million)	550,000,000.00	600,000,000.00	550,000,000.00	600,000,000.00
Long-term loan (Credit line of Baht 1,300 million)	1,201,000,000.00	1,261,000,000.00	-	-
Long-term loan (Credit line of Baht 500 million)	475,000,000.00	495,000,000.00	475,000,000.00	495,000,000.00
Long-term loan (Credit line of Baht 95 million)	61,500,000.00	85,500,000.00	61,500,000.00	85,500,000.00
Long-term loan (Credit line of Baht 600 million)	600,000,000.00	483,000,000.00	600,000,000.00	483,000,000.00
Long-term loan (Credit line of Baht 316 million)	307,000,000.00	316,000,000.00	307,000,000.00	316,000,000.00
Long-term loan (Credit line of Baht 145 million)	145,000,000.00	-	-	-
Long-term loan (Credit line of Baht 70 million)	64,150,000.00	-	-	-
Long-term loan (Credit line of Baht 90 million)	85,500,000.00	-	-	-
Total	7,260,150,000.00	7,355,500,000.00	2,159,500,000.00	2,219,500,000.00
<u>Less Current portion</u>	<u>(1,053,900,000.00)</u>	<u>(507,000,000.00)</u>	<u>(518,000,000.00)</u>	<u>(177,000,000.00)</u>
Net	6,206,250,000.00	6,848,500,000.00	1,641,500,000.00	2,042,500,000.00



Movement for the year ended December 31, 2021 was as follows: -

(Unit : Baht)

	<u>Consolidated financial statement</u>	<u>Separate financial statement</u>
Beginning book value	7,355,500,000.00	2,219,500,000.00
Proceed during the year	422,000,000.00	117,000,000.00
Repaid during the year	(517,350,000.00)	(177,000,000.00)
Ending book value	7,260,150,000.00	2,159,500,000.00

Long-term loans from financial institutions-minimum payments are as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Due within 1 year	1,053,900,000.00	507,000,000.00	518,000,000.00	177,000,000.00
Within 1 year	5,166,750,000.00	6,848,500,000.00	1,614,500,000.00	2,042,500,000.00
Over 1 year to 5 years	1,039,500,000.00	-	-	-
Total	7,260,150,000.00	7,355,500,000.00	2,159,500,000.00	2,219,500,000.00

Long-term loans of the Group are bearing the floating interest rate as at December 31, 2021 and 2020, the interest rates are 2.10%-4.06% per annum and 1.84%-3.89% per annum respectively. The interest is payable monthly after the first withdrawal date of the loan. The significant detail of long-term loans credit facilities are as follows: -

<u>Credit facility</u>	<u>Repayment of principal</u>
(Unit : Million Baht)	
1. 200.00	- Principal is repayable quarterly commencing from March 2016 to December 2020, for 20 installments at Baht 10.00 million per installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period for 1 year, the next installment payment starting from June 2021 for 2 installments at Baht 10.00 million per installment and payment of all rest for the final installment.
2. 800.00	- Principal is repayable quarterly commencing from March 2016 to December 2020, for 20 installments, for the 1 st -4 th installment at Baht 30.00 million per installment, for the 5 th -16 th installments at Baht 40.00 million per installment, for the 17 th -19 th installments at Baht 50.00 million per installment and payment of all rest for the 20 th installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period for 1 year, the next installment payment starting from June 2021 for 2 installments at Baht 50.00 million per installment and payment of all rest for the final installment.

Credit facilityRepayment of principal

(Unit : Million Baht)

3. 200.00 - The first installment of principal must be made on the end of 24th month period from the date of the initial drawdown (May 2016), and the following installments to be repaid quarterly, for 20 installments, for the 1st-19th installments at Baht 10.00 million per installment and payment of all rest for the final installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period for 1 year, the next installment payment starting from May 2021 for 3 installments at Baht 8.00 million per installment, for the next 7 installments at Baht 12.00 million per installment and payment of all rest for the final installment.
4. 150.00 - The first installment of principal must be made in the 5th quarter from the date of the initial drawdown (March 2017), and the following installments to be repaid quarterly, for 20 installments at Baht 7.50 million per installment. However, the loan repayment conditions were revised on May 8, 2020. There was a grace period in the year 2020, the next installment payment starting from March 2021 for 4 installments at Baht 5.00 million per installment, for the next 3 installments at Baht 17.50 million per installment and payment of all rest for the final installment.
5. 2,200.00 - The first installment of principal must be made on the lower of the end of 24th month period from the date of the initial drawdown (February 2017) or the date of March 31, 2019 whichever one come first, and the following installments to be repaid quarterly, for 20 installments, for the 1st-19th installments at Baht 110.00 million per installment and payment of all rest for the final installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period in the year 2020, the next installment payment starting from May 2021 for 3 installments at Baht 20.00 million per installment, for the next 4 installments at Baht 40.00 million per installment, for the next 4 installments at Baht 60.00 million per installment, for the next 4 installments at Baht 70.00 million per installment, for the next 4 installments at Baht 75.00 million per installment, for the next 4 installments at Baht 80.00 million per installment, for the next 3 installments at Baht 91.25 million per installment and payment of all rest for the final installment.
6. 2,000.00 - The first installment of principal must be made on the lower of the end of 24th month period from the date of the initial drawdown (August 2018) or the date of September 30, 2020 whichever one come first, and the following installments to be repaid quarterly, for 20 installments at Baht 100.00 million per installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period for 1 year, the next installment payment starting from June 2021 for 3 installments at Baht 20.00 million per installment, for the next 4 installments at Baht 40.00 million per installment, for the next 4 installments at Baht 55.00 million per installment, for the next 16 installments at Baht 75.00 million per installment, for the next 3 installments at Baht 90.00 million per installment and payment of all rest for the final installment.



Credit facilityRepayment of principal

(Unit : Million Baht)

7. 750.00 - The first installment of principal must be made on the end of 3rd month period from the date of the initial drawdown (December 2018), and the following installments to be repaid quarterly, for 20 installments, for the 1st-19th installments at Baht 37.50 million per installment and payment of all rest for the final installment. However, the loan repayment conditions were revised on May 8, 2020. There was a grace period in the year 2020, the next installment payment starting from March 2021 for 4 installments at Baht 12.50 million per installment, for the next 4 installments at Baht 50.00 million per installment, for the next 3 installments at Baht 87.50 million per installment and payment of all rest for the final installment.
8. 1,300.00 - The first installment of principal must be made on the end of 6th month period from the date of the initial drawdown (May 2019), and the following installments to be repaid quarterly, for 22 installments, for the 1st-4th installments at Baht 19.50 million, for the 5th-8th installments at Baht 39.00 million, for the 9th-12th installments at Baht 58.50 million, for the 13th-16th installments at Baht 71.50 million, for the 17th-21th installments at Baht 91.00 million and payment of all rest for the final installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period for 1 year, the next installment payment starting from June 2021 for 3 installments at Baht 20.00 million per installment, for the next 4 installments at Baht 40.00 million per installment, for the next 4 installments at Baht 60.00 million per installment, for the next 4 installments at Baht 65.00 million per installment, for the next 7 installments at Baht 70.00 million per installment and payment of all rest for the final installment.
9. 500.00 - The first installment of principal must be made on the end of 4th month period from the date of the initial drawdown (December 2019), and the following installments to be repaid quarterly, for 20 installments, for the 1st installment at Baht 5.00 million, for the 2nd-19th installments at Baht 26.00 million and payment of all rest for the final installment. However, the loan repayment conditions were revised on May 8, 2020. There was a grace period in the year 2020, the next installment payment starting from March 2021 for 4 installments at Baht 5.00 million per installment, for the next 4 installments at Baht 7.00 million per installment, for the next 4 installments at Baht 9.00 million per installment, for the next 4 installments at Baht 82.00 million per installment and payment of all rest for the final installment.
10. 95.00 - The first installment of principal must be made on the end of 6th month period from the date of the initial drawdown (February 2020), and the following installments to be repaid quarterly, for 10 installments at Baht 9.50 million per installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period for 1 year, the next installment payment starting from May 2021 for 3 installments at Baht 8.00 million per installment, for the next 5 installments at Baht 10.00 million per installment and payment of all rest for the final installment.

Credit facility
(Unit : Million Baht)

Repayment of principal

- | | | |
|-----|--------|---|
| 11. | 600.00 | - The first installment of principal must be made on the end of 25 th month period from the date of the initial drawdown (March 2022), and the following installments to be repaid quarterly, for 20 installments at Baht 30.00 million per installment. |
| 12. | 316.00 | - The first installment of principal must be made on the end of 6 th month period from the date of the initial drawdown (June 2021), and the following installments to be repaid quarterly, for 20 installments, for the 1 st -15 th installments at Baht 3.00 million per installment, for the 16 th -19 th installments at Baht 67.00 million per installment and payment of all rest for the final installment. |
| 13. | 145.00 | - The first installment of principal must be made on the end of 12 th month period from the date of the initial drawdown (July 2022), and the following installments to be repaid quarterly, for 20 installments, for the 1 st -19 th installments at Baht 7.25 million per installment and payment of all rest for the final installment. |
| 14. | 70.00 | - The first installment of principal must be made on the end of 3 rd month period from the date of the initial drawdown (October 2021), and the following installments to be repaid quarterly, for 12 installments, for the 1 st -11 th installments at Baht 5.85 million per installment and payment of all rest for the final installment. |
| 15. | 90.00 | - The first installment of principal must be made on the end of 3 rd month period from the date of the initial drawdown (October 2021), and the following installments to be repaid quarterly, for 20 installments, for the 1 st -19 th installments at Baht 4.50 million per installment and payment of all rest for the final installment. |
| 16. | 95.00 | - The first installment of principal must be made on the end of 6 th month period from the date of the initial drawdown (As at September 30,2021 had not withdrawing loans), and the following installments to be repaid quarterly, for 14 installments, for the 1 st -13 th installments at Baht 6.80 million per installment and payment of all rest for the final installment. |
| 17. | 125.00 | - The first installment of principal must be made on the end of 6 th month period from the date of the initial drawdown (As at September 30,2021 had not withdrawing loans), and the following installments to be repaid quarterly, for 25 installments, for the 1 st -24 th installments at Baht 5.00 million per installment and payment of all rest for the final installment. |
| 18. | 100.00 | - The first installment of principal must be made on the end of 13 th month period from the date of drawdown (As at December 31,2021 had not withdrawing loans), and the following installments to be repaid quarterly, for 48 installments, for the 1 st -47 th installments at Baht 2.08 million per installment and payment of all rest for the final installment. |



Credit facility

Repayment of principal

(Unit : Million Baht)

19. 50.00 - The first installment of principal must be made on the end of 13th month period from the date of drawdown (As at December 31,2021 had not withdrawing loans), and the following installments to be repaid quarterly, for 48 installments, for the 1st-47th installments at Baht 1.04 million per installment and payment of all rest for the final installment.

Collateral

- The land with construction, machinery and construction in progress of the Group with the book value as mentioned in the notes to financial statements No. 10 have been pledged as collateral against credit facilities received at the full credit limit. The Group forfeit all of the benefits from the insurance and claimant right of the pledged machinery and construction to the lender.

Other material compliance with contract

- The Company and its subsidiary have to maintain debt to equity ratio not more than 0.00-2.50 to 1 and not less than zero for the subsidiary.
- The Company shall not pay dividend exceed 70% of net profit.
- The Company has to maintain debt service coverage ratio not lower than 1.10 of the consolidated financial statement at the end of year.
- The Company has to maintain debt service coverage ratio not lower than 1.00-1.25 of the separate financial statement.
- The Company has to maintain the shareholding proportion for 95.00%-99.99% in a subsidiary until all loans have been repaid.
- The Company and a subsidiary have to pay the fee for prepayment of some loans at 3% of the prepayment made, except the prepayment of the loan incurred from the single-side service offered by lender.
- The subsidiary and/or the Company must not default the repayment of the debt and/or any inter-liability and/or financial institution lenders except when the debt and/or liability has the total outstanding amount not exceeding Baht 5.00 million.

17. Lease liabilities

Changes in the lease are liabilities for the years ended December 31, 2021 and 2020 as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease liabilities at the beginning of year	448,086,182.17	456,010,353.29	148,023,687.43	153,318,465.75
Increased during the year	19,479,286.95	52,146,159.39	-	-
Adjustment finance lease during the year	118,777,756.49	-	98,312,681.10	-
Repayment during the year	(61,084,261.14)	(60,070,330.51)	(8,936,202.89)	(5,294,778.32)
Lease liabilities at the end of year	<u>525,258,964.47</u>	<u>448,086,182.17</u>	<u>237,400,165.64</u>	<u>148,023,687.43</u>

Lease liabilities can be divided as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Lease liabilities - related parties	427,534,658.47	325,535,815.44
Lease liabilities - other parties	97,724,306.00	122,550,366.73
Total lease liabilities	<u>525,258,964.47</u>	<u>448,086,182.17</u>

(Unit : Baht)

	<u>Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Lease liabilities - related parties	237,107,834.04	147,450,893.11
Lease liabilities - other parties	292,331.60	572,794.32
Total lease liabilities	<u>237,400,165.64</u>	<u>148,023,687.43</u>

A maturity analysis of lease payment at December 31, 2021 and 2020 are as follows :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		
	<u>As at December 31, 2021</u>		
	<u>Lease liabilities</u>	<u>Deferred interest expenses</u>	<u>Net</u>
Within 1 year	63,537,266.00	(20,836,008.67)	42,701,257.33
Over 1 year but not over 5 years	216,096,948.00	(66,768,488.61)	149,328,459.39
Over 5 years	434,068,880.00	(100,839,632.25)	333,229,247.75
Total	<u>713,703,094.00</u>	<u>(188,444,129.53)</u>	<u>525,258,964.47</u>



(Unit : Baht)

Consolidated financial statementAs at December 31, 2020

	<u>Lease</u>	<u>Deferred</u>	
	<u>liabilities</u>	<u>interest expenses</u>	<u>Net</u>
Within 1 year	81,701,564.24	(17,248,835.14)	64,452,729.10
Over 1 year but not over 5 years	219,617,453.50	(47,088,283.23)	172,529,170.27
Over 5 years	279,905,380.00	(68,801,097.20)	211,104,282.80
Total	581,224,397.74	(133,138,215.57)	448,086,182.17

(Unit : Baht)

Separate financial statementAs at December 31, 2021

	<u>Lease</u>	<u>Deferred</u>	
	<u>liabilities</u>	<u>interest expenses</u>	<u>Net</u>
Within 1 year	18,191,880.00	(8,907,253.28)	9,284,626.72
Over 1 year but not over 5 years	71,579,520.00	(31,975,317.85)	39,604,202.15
Over 5 years	241,580,880.00	(53,069,543.23)	188,511,336.77
Total	331,352,280.00	(93,952,114.36)	237,400,165.64

(Unit : Baht)

Separate financial statementAs at December 31, 2020

	<u>Lease</u>	<u>Deferred</u>	
	<u>liabilities</u>	<u>interest expenses</u>	<u>Net</u>
Within 1 year	11,060,400.00	(5,559,748.58)	5,500,651.42
Over 1 year but not over 5 years	43,215,600.00	(20,078,232.63)	23,137,367.37
Over 5 years	155,677,800.00	(36,292,131.36)	119,385,668.64
Total	209,953,800.00	(61,930,112.57)	148,023,687.43

For the years ended December 31, 2021 and 2020, transactions related to leases were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finance cost relating to lease	23,706,414.88	19,061,140.73	9,255,677.11	5,765,621.68
Finance cost relating to lease (included in the cost of the asset)	5,289.57	8,002.46	-	-
Expenses relating to short-term lease	29,250,351.16	40,391,216.45	-	7,158,480.00
Cash outflow for lease	84,795,965.59	79,139,473.69	18,191,880.00	11,060,400.00

18. Employee benefit obligations

Changes in the present value of the employee benefit obligations for the years ended December 31, 2021 and 2020 are as follows: -

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Employee benefit obligations as at January 1,	397,846,448.39	391,438,384.02	191,857,697.00	190,951,581.00
Current service cost	28,084,667.00	27,991,458.98	12,258,560.00	12,759,365.00
Interest cost	10,228,469.98	9,924,456.06	4,722,251.00	4,767,632.00
<u>Less</u> Repayment for the year	(11,442,150.00)	(31,507,850.67)	(5,464,436.67)	(16,620,881.00)
Employee benefit obligations as at December 31,	424,717,435.37	397,846,448.39	203,374,071.33	191,857,697.00

Expenses recognized in statements of comprehensive income are shown collectively for the years ended December 31, 2021 and 2020 are as follows: -

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Recognized in cost of assets</u>				
Property, plant and equipment	2,222,240.41	-	-	-
<u>Recognized in profit or loss</u>				
Cost of sales	28,440,232.60	28,971,490.04	14,097,671.00	13,593,094.00
Administrative expenses	3,988,926.00	4,905,044.00	1,883,593.00	2,801,637.00
Management benefit expenses	3,661,737.97	4,039,381.00	999,547.00	1,132,266.00
Total	36,090,896.57	37,915,915.04	16,980,811.00	17,526,997.00

Principal actuarial assumptions as at December 31, 2021 and 2020 are as follows: -

	<u>Consolidated and separate financial statements</u>
Discount rate at the end of the years	1.76% - 4.05%
Future salary increase	6.00%
Proportion of employee opting for early retirement	0%-30%



Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount increase rate (1.0% movement)	(33,127,696.00)	(32,673,210.00)	(13,599,519.00)	(13,762,570.00)
Discount decrease rate (1.0% movement)	38,178,755.00	37,712,359.00	15,489,015.00	15,692,950.00
Rate of salary growth increase (1.0% movement)	49,029,018.00	44,067,017.00	20,581,547.00	18,765,072.00
Rate of salary growth decrease (1.0% movement)	(42,754,087.00)	(38,596,870.00)	(18,172,788.00)	(16,642,704.00)
Employee turnover increase rate (20.0% movement)	(19,027,945.00)	(16,583,493.00)	(7,341,755.00)	(6,442,664.00)
Employee turnover decrease rate (20.0% movement)	22,029,675.00	19,109,804.00	8,489,257.00	7,415,849.00

19. Share capital

The movement of share capital for the years ended on December 31, 2021 and 2020 is as follows: -

	<u>Consolidated and separate financial statements</u>			
	<u>2021</u>		<u>2020</u>	
	<u>Number of share</u>	<u>Amount</u>	<u>Number of share</u>	<u>Amount</u>
	<u>(Unit : Shares)</u>	<u>(Unit : Baht)</u>	<u>(Unit : Shares)</u>	<u>(Unit : Baht)</u>
Registered share capital (Par value at 1.00 Baht)				
Beginning ordinary shares	1,790,865,001	1,790,865,001.00	1,567,006,952	1,567,006,952.00
Plus (reduce) share capital during the year	(55,627,521)	(55,627,521.00)	223,858,049	223,858,049.00
Ending ordinary shares	<u>1,735,237,480</u>	<u>1,735,237,480.00</u>	<u>1,790,865,001</u>	<u>1,790,865,001.00</u>
Issued and paid-up share capital (Par value at 1.00 Baht)				
Beginning ordinary shares	1,735,237,480	1,735,237,480.00	1,567,006,876	1,567,006,876.00
Plus share capital during the year	-	-	168,230,604	168,230,604.00
Ending ordinary shares	<u>1,735,237,480</u>	<u>1,735,237,480.00</u>	<u>1,735,237,480</u>	<u>1,735,237,480.00</u>

In accordance to the minutes of the 2021 Annual General Meeting of Shareholders held on May 17, 2021, resolved to approve decrease of its registered capital and the amendment to Clause 4 of the memorandum of association from Baht 1,790,865,001 to Baht 1,735,237,480 by cancelling 55,627,521 unissued ordinary shares with par value Baht 1.00 per share. The Company has amended the memorandum of association with the Ministry of Commerce on May 24, 2021.

In accordance to the minutes of the 2020 Annual General Meeting of Shareholders held on June 17, 2020, resolved to approve: -

- Decrease of its registered capital and the amendment to Clause 4 of the memorandum of association from Baht 1,567,006,952.00 to Baht 1,567,006,876.00 by cancelling 76 unissued ordinary shares with par value Baht 1.00 per share.
- Increase of its registered capital and the amendment to Clause 4 of the memorandum of association from Baht 1,567,006,876.00 to Baht 1,790,865,001.00 by issuing 223,858,125 new ordinary shares with par value Baht 1.00 per share by way of rights offering to the existing shareholders of the Company at the ratio of 7 existing shares to 1 new ordinary share, at the offering price of Baht 3.75 per share in amount of Baht 839,467,969.00, during the subscription and payment period between July 14-20, 2020.

The Company has amended the memorandum of association with the Ministry of Commerce on June 22, 2020 and registered the change of the Company's paid-up capital on July 22, 2020.

The existing shareholders of the Company exercised 168,230,604 shares of warrants at the price of Baht 3.75 per share in amount of Baht 630,864,765.00. Therefore, issued and paid-up share capital increase in amount of Baht 168,230,604.00 and premium on ordinary shares increase in amount of Baht 462,634,161.00 from Baht 1,020,000,000.00 to Baht 1,482,634,161.00.

Capital management

The primary objectives of the Group's capital management is to maintain their ability to continue as a going concern, to maintain an appropriate capital structure.

As at December 31, 2021 and 2020, in the consolidated financial statements, the debt to equity ratio is 1.70 : 1 and 2.01 : 1 respectively, and separate financial statements debt to equity ratio is 0.64 : 1 and 0.68 : 1 respectively.

20. Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (if any), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution. According to the resolution of the Board of Director's meeting No. 6/2021 held on August 11, 2021, approved the Company appropriated the legal reserve amount of Baht 11.39 million.



21. Dividend paid

Dividend	Approved by	Dividend paid (Unit : Baht)	Dividend paid per share (Baht)	Date of dividend payment
Payment announced from the profit of the year 2021	the Board of Director's meeting No.6/2021 held on August 11, 2021	173,523	0.10	September 9, 2021

22. Expenses by nature

The following expenditure items of expense have been classified by nature: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Change in finished goods and work in process	(515,192,890.72)	(505,032,126.75)	(10,380,853.67)	(30,591,493.62)
Raw material and supplied used	6,168,758,075.41	4,271,299,085.16	2,483,223,134.72	1,933,118,571.70
Energy cost	1,392,854,525.92	1,232,041,287.79	441,494,128.71	397,438,312.70
Management benefit expenses	106,850,408.06	83,248,102.26	32,618,965.00	25,865,826.00
Employee related expenses	1,201,419,611.90	961,208,202.44	546,637,489.01	458,119,565.72
Depreciation and amortization expenses	1,042,922,222.68	1,021,233,303.90	257,863,965.89	254,235,587.75
Transportation expenses	736,490,133.38	573,780,344.89	287,879,093.83	233,460,211.32
Repair expenses	528,840,257.80	416,883,398.25	174,906,891.90	142,670,216.89
Finance cost	291,996,085.17	269,834,741.78	112,484,242.15	98,374,774.21
Other expenses	758,249,276.10	652,332,554.43	123,677,350.20	140,911,688.59
Total	11,713,187,705.70	8,976,828,894.15	4,450,404,407.74	3,653,603,261.26

23. Income tax (revenues) expenses

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Tax revenues recognized in profit or loss</u>				
Current tax expenses	30,810,227.48	382,623.42	21,268,609.37	-
Deferred tax expenses (Note 13)				
Movements in temporary differences	(8,155,495.89)	151,602.61	(2,909,187.85)	(2,137,963.96)
Income tax (revenues) expenses	22,654,731.59	534,226.03	18,359,421.52	(2,137,963.96)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended December 31, 2021 and 2020 as follows: -

(Unit : Baht)

	<u>Separate financial statements</u>					
	2021		Total	2020		Total
Accounting profit before tax	588,784,515.44	168,261,208.76	757,045,724.20	125,539,647.86	(18,966,867.58)	106,572,780.28
Applicable tax rate	0 %	20 %		0 %	20 %	
Accounting profit before tax multiplied by applicable tax rate	-	33,652,241.75	33,652,241.75	-	(3,793,373.52)	9,732,656.41
Adjustment in respect of current income tax of previous year effects of changes in the applicable tax rates effects of:						
Employee benefits	-	714,981.63	714,981.63	-	(67,477.21)	858,649.67
Capital expenditure	-	-	-	-	(378,472.04)	(703,528.70)
Tax losses	-	(12,862,178.19)	(12,862,178.19)	-	(9,528,520.94)	(11,235,672.93)
Others	-	(236,435.82)	(236,435.82)	-	13,767,843.71	1,347,895.55
Total	-	21,268,609.37	21,268,609.37	-	-	-
Changes in temporary differences	-	(2,909,187.85)	(2,909,187.85)	-	(2,137,963.96)	(2,137,963.96)
Income tax revenues (expenses) reported in statements of comprehensive income	-	18,359,421.52	18,359,421.52	-	(2,137,963.96)	(2,137,963.96)

24. Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid-up ordinary shares during the year.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for the year (Unit : Baht)	1,293,776,725.15	(590,479,982.24)	738,686,302.68	108,710,744.24
The number of issued and paid-up ordinary shares (Unit : Shares)	1,735,237,480	1,642,134,516	1,735,237,480	1,642,134,516
Earnings (loss) per share (Baht/share)	0.75	(0.36)	0.43	0.07

The Company calculates the number of issued and paid-up ordinary shares during for the year ended December 31, 2020 is as follow: -

<u>Date</u>	<u>Number of shares</u>	<u>Proportion of</u>	<u>Number of</u>	<u>Number of</u>
	<u>(Unit : Thousand share)</u>	<u>payment of shares</u>	<u>ordinary shares equivalent</u>	<u>share for days</u>
		<u>(%)</u>	<u>(Thousand share)</u>	<u>(Days)</u>
Jul 1-Dec 31, 20	1,567,006,876	100.00	1,567,006,876	365/365
Jul 22- Dec 31, 20	168,230,604	100.00	168,230,604	163/365
			<u>1,735,237,480</u>	<u>1,642,134,516</u>



25. Segment information

The Company and its subsidiaries operates the main business with respect to production and distribution of wood plates, MDF boards and particle boards while classified according to sector as domestic sale and international sale. The data classified according to sector of the Group for the years ended December 31, 2021 and 2020 constitutes as follows: -

(Unit : Million Baht)

	Consolidated financial statements											
	For the years ended December 31,											
	MDF board, particle board and door skin		Glue		Melamine impregnated paper		Other		Eliminated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net sales-domestic	2,627.92	2,280.93	1,872.43	1,140.68	242.60	192.76	108.00	52.02	(2,548.87)	(1,641.94)	2,302.08	2,024.45
Net sales-export	10,685.65	6,296.63	-	-	-	-	-	-	-	-	10,685.65	6,296.63
Total	13,313.57	8,577.56	1,872.43	1,140.68	242.60	192.76	108.00	52.02	(2,548.87)	(1,641.94)	12,987.73	8,321.08
Profit (loss) by segment	3,092.63	872.83	230.92	164.51	(8.06)	(19.82)	72.56	43.79	(147.25)	(49.52)	3,240.80	1,011.79
Other income											56.56	64.56
Selling and administrative expense											(1,674.27)	(1,397.70)
Profit (loss) from operating activities											1,623.09	(324.35)
Finance cost											(292.00)	(269.84)
Profit (loss) before income tax											1,331.09	(594.19)
Income tax revenues											(22.65)	(0.53)
Comprehensive income for the period											1,308.44	(594.72)
<u>As at December 31,</u>												
Property, plant and equipment											12,996.33	13,413.53
Depreciation											973.31	948.93
Total assets											20,041.50	18,859.74

For the years ended December 31, 2021 and 2020, the Group has no major customer are worth higher than 10% of the revenues from sale.

26. Financial instruments

Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables and other financial assets and liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

26.1 Credit risk

The Group is exposed to credit risk primarily with respect to trade receivable, deposits with banks and other financial instruments. The maximum amount that The Group's may incur from credit is Book value shown in the statement of financial position.

- Trade and other receivables

The Group manages the risks by adopting appropriate credit control policies including credit limit approval, financial position analysis of customers or counterparties and collection management. Therefore, the Group does not expect any material financial losses from credit risk. The Group's does not anticipate any credit risk since it has a large and diverse customer base. However, the Group expect no risk of debt repayment from receivables from related companies due to the debtor has arrears in normal credit term, financial liquidity and ability to pay debts, receivables from related parties the Group has expect that there is no risk of debt repayment, because the debt has arrears in the normal credit term. Have financial liquidity and ability to pay debt.

An impairment analysis is performed at each reporting date to measure expected credit losses for groups of receivables with similar credit risk characteristics, with the rate of provision for expected credit losses used in the calculation based on age of the outstanding receivables for each group. 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. Generally, trade and other receivables are written-off in accordance with the Group's policy, when appropriate.

- Deposits and other financial instruments with financial institutions

The Group manages the credit risks regarding deposits and other financial instruments with financial institutions by controlling in place to create an acceptable balance between the cost of risks and the cost of risk management. The credit risk on deposits and financial instrument with financial institutions are limited because the counterparties are banks with high credit-ratings.



26.2 Foreign currency risk

The Group exposed to foreign currency risk mainly in respect of purchase or sales of goods, which are denominated in foreign currencies.

As at December 31, 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarized below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	23,667	15,219	13,632	26,612	33.37	29.99
EUR	-	-	5,482	2,973	38.28	37.26
CHF	-	-	6	2	36.90	34.39
SGD	-	-	-	4	-	22.95
SEK	-	-	4	4	3.74	3.71

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2021	2020	2021	2020	2021	2020
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	14,009	4,053	1,068	986	33.37	29.99
EUR	-	-	79	39	38.28	37.26

Analysis of the impact of changes in exchange rates

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at December 31, 2021 and 2020, are as follows :-

		As at December 31, 2021	
		Effect on profit (loss) before tax increase (decrease)	
Currency	Change in FX rate	Consolidated financial statements	Separate financial statements
		(Thousand Baht)	(Thousand Baht)
USD	(+3.00)	10,555	12,956
	(-3.00)	(10,555)	(12,956)
EUR	(+3.00)	(6,223)	(89)
	(-3.00)	6,223	89

		As at December 31, 2020	
		Effect on profit or loss before tax increase (decrease)	
Currency	Change in FX rate	Consolidated financial statements	Separate financial statements
		(Thousand Baht)	(Thousand Baht)
USD	(+3.00)	(5,752)	2,760
	(-3.00)	5,752	(2,760)
EUR	(+3.00)	(3,283)	(44)
	(-3.00)	3,283	44



26.3 Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term loans, long-term loans from financial institutions and lease liabilities. Most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

As at December 31, 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the reprising date if this occurs before the maturity date.

(Unit : Baht)

Consolidated financial statement
As at December 31, 2021

	Fixed interest rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 years to 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1,466,134,218.73	15,639,889.25	1,481,774,107.98	0.05-0.25
Trade and other receivables	-	-	-	-	1,377,257,219.58	1,377,257,219.58	-
Revenue Department receivable	-	-	-	-	218,301,285.50	218,301,285.50	-
	-	-	-	1,466,134,218.73	1,611,198,394.33	3,077,332,613.06	
Financial liabilities							
Short-term loans from financial institutions	2,508,330,105.06	-	-	-	-	2,508,330,105.06	1.47-3.25
Trade and other payables	-	-	-	-	1,565,417,243.37	1,565,417,243.37	-
Long-term loans from financial institutions	-	-	-	7,260,150,000.00	-	7,260,150,000.00	2.10-4.06
Lease liabilities	42,701,257.33	149,328,459.39	333,229,247.75	-	-	525,258,964.47	3.25-4.50
	2,551,031,362.39	149,328,459.39	333,229,247.75	7,260,150,000.00	1,565,417,243.37	11,859,156,312.90	

(Unit : Baht)

Consolidated financial statement
As at December 31, 2020

	Fixed interest rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within						
	1 year	1 years to 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1,074,768,629.90	20,870,291.23	1,095,638,921.13	0.00-0.375
Trade and other receivables	-	-	-	-	909,027,988.73	909,027,988.73	-
Revenue Department receivable	-	-	-	-	116,803,881.10	116,803,881.10	-
	-	-	-	1,074,768,629.90	1,046,702,161.06	2,121,470,790.96	
Financial liabilities							
Short-term loans from financial institutions	3,115,972,144.59	-	-	-	-	3,115,972,144.59	1.47-5.25
Trade and other payables	-	-	-	-	982,446,689.80	982,446,689.80	-
Long-term loans from financial institutions	-	-	-	7,355,500,000.00	-	7,355,500,000.00	1.84-3.89
Lease liabilities	64,452,729.10	172,529,170.27	211,104,282.80	-	-	448,086,182.17	3.82-4.50
	3,180,424,873.69	172,529,170.27	211,104,282.80	7,355,500,000.00	982,446,689.80	11,902,005,016.56	

(Unit : Baht)

Separate financial statement
As at December 31, 2021

	Fixed interest rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within						
	1 year	1 years to 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	834,956,526.69	5,088,693.00	840,045,219.69	0.05-0.25
Trade and other receivables	-	-	-	-	1,070,105,021.65	1,070,105,021.65	-
Revenue Department receivable	-	-	-	-	69,738,350.81	69,738,350.81	-
Short-term loans from related parties	55,000,000.00	-	-	-	-	55,000,000.00	3.25-4.50
	55,000,000.00	-	-	834,956,526.69	1,144,932,065.46	2,034,888,592.15	
Financial liabilities							
Short-term loans from financial institutions	1,200,000,000.00	-	-	-	-	1,200,000,000.00	1.47-3.25
Trade and other payables	-	-	-	-	682,095,588.02	682,095,588.02	-
Long-term loans from financial institutions	-	-	-	2,159,500,000.00	-	2,159,500,000.00	2.10-4.06
Lease liabilities	9,284,626.72	39,604,202.15	188,511,336.77	-	-	237,400,165.64	3.82
	1,209,284,626.72	39,604,202.15	188,511,336.77	2,159,500,000.00	682,095,588.02	4,278,995,753.66	



(Unit : Baht)

Separate financial statement

As at December 31, 2020

	Fixed interest rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within						
	1 year	1 years to 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	761,750,651.68	6,042,756.41	767,793,408.09	0.00-0.25
Trade and other receivables	-	-	-	-	600,467,275.42	600,467,275.42	-
Revenue Department receivable	-	-	-	-	64,500,673.62	64,500,673.62	-
Short-term loans from related parties	77,000,000.00	-	-	-	-	77,000,000.00	3.25-4.50
	<u>77,000,000.00</u>	<u>-</u>	<u>-</u>	<u>761,750,651.68</u>	<u>671,010,705.45</u>	<u>1,509,761,357.13</u>	
Financial liabilities							
Short-term loans from financial institutions	1,360,000,000.00	-	-	-	-	1,360,000,000.00	1.48-3.25
Trade and other payables	-	-	-	-	492,899,353.52	492,899,353.52	-
Long-term loans from financial institutions	-	-	-	2,219,500,000.00	-	2,219,500,000.00	1.84-3.89
Lease liabilities	5,500,651.42	23,137,367.37	119,385,668.64	-	-	148,023,687.43	3.82
	<u>1,365,500,651.42</u>	<u>23,137,367.37</u>	<u>119,385,668.64</u>	<u>2,219,500,000.00</u>	<u>492,899,353.52</u>	<u>4,220,423,040.95</u>	

Analysis of the impact of changes in interest rates

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate financial assets and long-term loans affected as at 31 December 2021 and 2020, with all other variables held constant.

As at December 31, 2021		As at December 31, 2020	
Consolidated financial statements		Consolidated financial statements	
Increase/Decrease	Effect on profit (loss) before tax	Increase/Decrease	Effect on profit (loss) before tax
(% per annum)	(Thousand Baht)	(% per annum)	(Thousand Baht)
+0.25	(18,150)	+0.25	(18,389)
-0.25	18,150	-0.25	18,389

As at December 31, 2021		As at December 31, 2020	
Separate financial statement		Separate financial statement	
Increase/Decrease	Effect on profit (loss) before tax	Increase/Decrease	Effect on profit (loss) before tax
(% per annum)	(Thousand Baht)	(% per annum)	(Thousand Baht)
+0.25	(5,399)	+0.25	(5,549)
-0.25	5,399	-0.25	5,549

26.4 Liquidity risk

The Group monitors the risk of a shortage of liquidity by assessing the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarizes the maturity profile of the Group's financial liabilities as at December 31, 2021 and 2020, based on contractual undiscounted cash flows :-

(Unit : Baht)

	Consolidated financial statement			
	As at December 31, 2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	2,508,330,105.06	-	-	2,508,330,105.06
Trade and other payables	1,565,417,243.37	-	-	1,565,417,243.37
Long-term loans from financial institutions	1,053,900,000.00	5,136,750,000.00	1,069,500,000.00	7,260,150,000.00
Lease liabilities	42,701,257.33	149,328,459.39	333,229,247.75	525,258,964.47
Total non-derivatives	<u>5,170,348,605.76</u>	<u>5,286,078,459.39</u>	<u>1,402,729,247.75</u>	<u>11,859,156,312.90</u>

(Unit : Baht)

	Consolidated financial statement			
	As at December 31, 2020			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	3,115,972,144.59	-	-	3,115,972,144.59
Trade and other payables	982,446,689.80	-	-	982,446,689.80
Long-term loans from financial institutions	507,000,000.00	4,942,500,000.00	1,906,000,000.00	7,355,500,000.00
Lease liabilities	64,452,729.10	172,529,170.27	211,104,282.80	448,086,182.17
Total non-derivatives	<u>4,669,871,563.49</u>	<u>5,115,029,170.27</u>	<u>2,117,104,282.80</u>	<u>11,902,005,016.56</u>



(Unit : Baht)

	Separate financial statements			
	As at December 31, 2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,200,000,000.00	-	-	1,200,000,000.00
Trade and other payables	682,095,588.02	-	-	682,095,588.02
Long-term loans from financial institutions	518,000,000.00	1,611,500,000.00	30,000,000.00	2,159,500,000.00
Lease liabilities	9,284,626.72	39,604,202.15	188,511,336.77	237,400,165.64
Total non-derivatives	2,409,380,214.74	1,651,104,202.15	218,511,336.77	4,278,995,753.66

(Unit : Baht)

	Separate financial statements			
	As at December 31, 2020			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	1,360,000,000.00	-	-	1,360,000,000.00
Trade and other payables	492,899,353.52	-	-	492,899,353.52
Long-term loans from financial institutions	177,000,000.00	2,042,500,000.00	-	2,219,500,000.00
Lease liabilities	5,500,651.42	23,137,367.37	119,385,668.64	148,023,687.43
Total non-derivatives	2,035,400,004.94	2,065,637,367.37	119,385,668.64	4,220,423,040.95

26.5 Fair values of financial instruments

Given that most of financial assets and financial liabilities of the Group company to be measured at amortized cost are short-term or bear interest at rates close to market rates, and loans denominated in Thai Baht carry interest at market rates, the Group's management believes that the fair values of those financial assets and financial liabilities closely approximate their carrying values in the statement of financial position.

However, the financial assets and financial liabilities not measured the fair value in the statement of financial position are as follows :-

(Unit : Baht)

Consolidated financial statement			
Financial liabilities	As at December 31, 2021		Fair value hierarchy
	Carrying amount	Fair value	
Long-term loans from financial institutions	7,260,150,000.00	7,320,198,694.31	Level 2

(Unit : Baht)

Consolidated financial statement			
Financial liabilities	As at December 31, 2020		Fair value hierarchy
	Carrying amount	Fair value	
Long-term loans from financial institutions	7,355,500,000.00	7,224,120,695.08	Level 2

(Unit : Baht)

Separate financial statement			
Financial liabilities	As at December 31, 2021		Fair value hierarchy
	Carrying amount	Fair value	
Long-term loans from financial institutions	2,159,500,000.00	2,174,320,879.41	Level 2

(Unit : Baht)

Separate financial statement			
Financial liabilities	As at December 31, 2020		Fair value hierarchy
	Carrying amount	Fair value	
Long-term loans from financial institutions	2,219,500,000.00	2,020,340,264.35	Level 2

Long-term loans from financial institutions are determined by using the discounted cash flow method. The contractual future cash outflows are discounted at the current market interest rate for similar financial instruments enhanced by the Group credit risk.



27 Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2021 and 2020, the Group held other obligations as follows :-

27.1 Obligation of credit lines for loans from financial institutions

	Currency	<u>Consolidated financial statements</u>					
		As at December 31, 2021			As at December 31, 2020		
		(Unit : Million)	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>
<u>The Company's credit line</u>							
Letters of guarantee	Baht	231.00	115.60	115.40	231.00	109.45	121.55
Letters of credit and trust receipt	Baht	1,265.00	207.25	1,057.75	1,265.00	416.67	848.33
Letters of credit and trust receipt and letters of guarantee	Baht	500.00	-	500.00	500.00	-	500.00
Bank overdrafts	Baht	260.00	-	260.00	260.00	-	260.00
Short-term loans	Baht	3,270.00	2,220.00	1,050.00	3,270.00	2,500.00	770.00
Long-term loans	Baht	370.00	-	370.00	600.00	483.00	117.00
Forward foreign exchange contract	Baht	2,154.00	-	2,154.00	2,154.00	-	2,154.00
Forward foreign exchange contract	USD	19.00	-	19.00	19.00	-	19.00
Packing credit	Baht	110.00	-	110.00	110.00	-	110.00
<u>The Group's credit line</u>							
Letters of credit and trust receipt and packing credit	Baht	575.00	100.83	474.17	375.00	222.03	152.97
<u>Separate financial statements</u>							
	Currency	As at December 31, 2021			As at December 31, 2020		
		(Unit : Million)	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>
<u>The Company's credit line</u>							
Letters of guarantee	Baht	48.00	40.31	7.69	25.00	15.43	9.57
Letters of credit and trust receipt	Baht	65.00	-	65.00	65.00	-	65.00
Letters of credit and trust receipt and letters of guarantee	Baht	150.00	-	150.00	150.00	-	150.00
Bank overdrafts	Baht	90.00	-	90.00	90.00	-	90.00
Short-term loans	Baht	1,760.00	1,200.00	560.00	1,760.00	1,360.00	400.00
Long-term loans	Baht	225.00	-	225.00	600.00	483.00	117.00
Forward foreign exchange contract	Baht	1,100.00	-	1,100.00	1,100.00	-	1,100.00
Forward foreign exchange contract	USD	15.00	-	15.00	15.00	-	15.00
Packing credit	Baht	50.00	-	50.00	50.00	-	50.00
<u>The Group's credit line</u>							
Letters of credit and trust receipt and packing credit	Baht	575.00	-	575.00	375.00	11.18	363.82

The Company received the credit with 2 subsidiaries in the form of letters of credit, trust receipts and packing credit in amount of Baht 575.00 million and Baht 375.00 million respectively.

The above credit facilities are guaranteed by the collaterals as mentioned in the note to financial statements No. 14 and 16.

- 27.2 The Group entered into agreements to property, plant and equipment, have remaining obligations under several subcontractors as follow: -

<u>Consolidated financial statements</u>						
Currency	<u>As at December 31, 2021</u>			<u>As at December 31, 2020</u>		
	<u>Contractual</u>	<u>Outstanding</u>	<u>Contractual</u>	<u>Outstanding</u>	<u>Contractual</u>	<u>Outstanding</u>
(Unit : Million)	<u>amount</u>	<u>Paid</u>	<u>contractual obligation</u>	<u>amount</u>	<u>Paid</u>	<u>contractual obligation</u>
Baht	182.53	39.46	143.07	275.83	32.44	243.39
USD	0.29	0.14	0.15	3.52	1.67	1.85
EUR	0.10	0.03	0.07	1.35	0.03	1.32

<u>Separate financial statements</u>						
Currency	<u>As at December 31, 2021</u>			<u>As at December 31, 2020</u>		
	<u>Contractual</u>	<u>Outstanding</u>	<u>Contractual</u>	<u>Outstanding</u>	<u>Contractual</u>	<u>Outstanding</u>
(Unit : Million)	<u>amount</u>	<u>Paid</u>	<u>contractual obligation</u>	<u>amount</u>	<u>Paid</u>	<u>contractual obligation</u>
Baht	170.83	39.46	131.37	-	-	-
USD	0.29	0.14	0.15	-	-	-
EUR	0.10	0.03	0.07	0.03	0.02	0.01

- 27.3 A subsidiary entered into a gas purchase-sales agreement with a gas production company. The subsidiary has to comply with the conditions stipulated in the agreement in the volume at daily average equals to 100 million BTU, gas price, the conditions of delivery, the installation and maintenance of the branch piping system. In case the subsidiary defaulted on the payment for the gas for more than 2 consecutive payments, the subsidiary must pledge the letter of guarantee issued by a bank for the limit of Baht 1.26 million for the entire contractual period.



28. Beneficial privileges from investment promotion

The Company and three subsidiaries were granted 9 investment promotion certificates from Board of Investment. The received benefits and privileges are under Sections 25, 26, 28, 30, 31, 34, 35(2), 35(3), 35(4), 36(1), 36(2), 36(4) and 37 of Investment Promotion Act B.E. 2520 which include exemption of income tax on net profit derived from operating business under investment promotion for the period of 3-8 years commencing from the first day the income is generate from promoted business. The details of investment certificates received are as follows: -

The Company

<u>Certificate No.</u>	<u>Date</u>	<u>Category of Promoted Business</u>	<u>Date of First Income</u>	<u>Termination Date</u>
1434(2)/2558	Jan. 26, 2015	Categ. 3.15 manufacture of furniture or parts (except made from restricted trees)	May. 6, 2016	May. 5, 2024
62-0095-1-04-1-0	Feb. 1, 2018	Categ. 1.15 manufacture of products from agricultural by-products or waste (except that the production process is not complicated)which improve production efficiency for the use of alternative energy	Feb. 1, 2018	Jan. 31, 2022
63-0631-1-04-1-0	Jun. 15, 2019	Categ. 1.15 manufacture of products from agricultural by-products or waste (except that the production process is not complicated) which improve production efficiency for the use of alternative energy	Sep. 4, 2019	Jun. 14, 2023
64-1410-1-04-1-0	Dec 21, 2020	Categ. 1.15 manufacture of products from agricultural by-products or waste or product from agricultural by-product from raw materials derived from by-product or scraps or agricultural waste (except that the production process is not complicated)	Nov 22, 2020	Nov 22, 2024

The subsidiary companies

<u>Certificate No.</u>	<u>Date</u>	<u>Category of Promoted Business</u>	<u>Date of First Income</u>	<u>Termination Date</u>
2143(2)/2556	Aug. 20, 2013	Categ. 6.15 Production of paper fiber	Mar. 1, 2014	Feb. 28, 2022
60-0043-1-00-1-0	Oct. 25, 2016	Categ. 1.17 manufacture of products from agricultural by-products or waste	Oct. 25, 2018	Aug. 24, 2021
60-0881-1-00-1-0	Jun. 27, 2017	Categ. 1.17 manufacture of products from agricultural by-products or waste	Mar. 3, 2020	Mar. 2, 2023
63-0131-1-04-1-0	Jan. 28, 2020	Categ. 1.15 manufacture of products from agricultural by-products or waste (except that the production process is not complicated) which improve production efficiency for the use of alternative energy	Dec. 18, 2020	Dec. 17, 2023
62-0676-1-00-1-0	Jun. 27, 2019	Categ. 7.1.1.2 production of electricity or steam power from renewable energy, except waste or fuel from waste	Sep 30, 2021	Sep 29, 2029

The details of the operating results of the promoted and non-promoted businesses in separate financial statements are as follows: -

(Unit : Baht)

For the year ended December 31, 2021

	<u>Activities with</u>	<u>Activities without</u>	
	<u>Investment</u>	<u>Investment</u>	<u>Total</u>
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	3,718,639,544.62	1,438,133,840.69	5,156,773,385.31
Cost of sales	(2,687,105,037.78)	(1,108,907,363.98)	(3,796,012,401.76)
Gross profit	1,031,534,506.84	329,226,476.71	1,360,760,983.55
Gain from exchange rate	19,837,095.42	4,416,421.53	24,253,516.95
Other income	17,681,727.62	8,741,502.06	26,423,229.68
Selling expenses and distribution expenses	(267,941,600.68)	(86,769,761.81)	(354,711,362.49)
Administrative expenses	(130,561,667.64)	(56,634,733.70)	(187,196,401.34)
Profit from operating activities	670,550,061.56	198,979,904.79	869,529,966.35
Finance cost	(81,765,546.12)	(30,718,696.03)	(112,484,242.15)
Profit before income tax	588,784,515.44	168,261,208.76	757,045,724.20
Income tax expenses	-	(18,359,421.52)	(18,359,421.52)
Profit for the year	588,784,515.44	149,901,787.24	738,686,302.68

(Unit : Baht)

For the year ended December 31, 2020

	<u>Activities with</u>	<u>Activities without</u>	
	<u>Investment</u>	<u>Investment</u>	<u>Total</u>
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	2,833,260,105.69	890,911,864.71	3,724,171,970.40
Cost of sales	(2,305,145,607.03)	(783,583,262.89)	(3,088,728,869.92)
Gross profit	528,114,498.66	107,328,601.82	635,443,100.48
Gain from exchange rate	3,668,556.49	4,759,422.75	8,427,979.24
Other income	17,585,675.97	9,990,415.93	27,576,091.90
Selling expenses and distribution expenses	(223,218,539.83)	(63,989,809.97)	(287,208,349.80)
Administrative expenses	(124,322,367.43)	(54,968,899.90)	(179,291,267.33)
Profit from operating activities	201,827,823.86	3,119,730.63	204,947,554.49
Finance cost	(76,288,176.00)	(22,086,598.21)	(98,374,774.21)
Profit (loss) before income tax	125,539,647.86	(18,966,867.58)	106,572,780.28
Income tax revenues	-	2,137,963.96	2,137,963.96
Profit (loss) for the year	125,539,647.86	(16,828,903.62)	108,710,744.24



Revenue from sales and cost of sales of the Company segregated between promoted and non-promoted businesses and the Company apportioned other income, selling and administrative expenses and finance cost, which could not specify clearly that they were income and expenses of business receiving promotional or non-promoted privileges, in accordance to total revenues from sales.

29. Reclassification

The Group has reclassified certain items in the financial statements for comparative purposes to correspond with the presentation of the financial statements for the year ended December 31, 2021, with no effect to the reported statements comprehensive of income for the year or shareholders' equity. The reclassifications comprised of the following :-

(Unit : Baht)

	Consolidated financial statements		
	Before reclassified	Reclassified increase (decrease)	After reclassified
Statement of financial as at December 31, 2021			
Trade and other receivable	896,344,819.60	12,683,169.13	909,027,988.73
Inventories	2,204,421,865.54	(12,683,169.13)	2,191,738,696.41
Statement of comprehensive income as at December 31, 2021			
Revenue from sales	8,311,792,919.67	9,286,447.60	8,321,079,367.27
Other income	30,704,067.04	(9,286,447.60)	21,417,619.44

30. Events after the reporting period

In accordance with the minutes of board of directors' meeting No. 1/2022 of Vanachai Woodsmith Co., Ltd. held on January 26, 2022, it was resolved to propose an agenda for approach to increase the share capital by issuing new ordinary shares 6,000,000 shares, with the par value of Baht 10.00 per share in the extraordinary shareholders' meeting No.1/2022 of Vanachai Woodsmith Co., Ltd. on February 22, 2022.

31. Approval of financial statements

These consolidated and separate financial statements were authorized for issue by the Company's authorized director on February 18, 2022.



| Certification of Information

Part 4

Certification of the accuracy of information Form 56-1 One Report

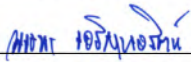

The Company has reviewed the information on this 56-1 One Report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

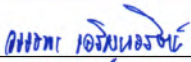
(1) The financial statements and financial information summarized in this annual registration statement /annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;

(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment as at 31 December 2021 available to the auditor and the Audit Committee, which covers deficiencies, significant changes to the internal control system, and wrongful acts that may affect the preparation of financial report of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Mr. Wanthana Jaroennawarat to sign on every page of the documents, and the absence of the authorized signature of Mr. Wanthana Jaroennawarat on any document shall be deemed that such unsigned document has not been certified by the Company.

Name - Surname	Position	Signature
1. Mr. Wanthana Jaroennawarat	Managing Director	
2. Mr. Patta Sahawat	Director	

Name - Surname	Position	Signature
Attorney Mr. Wanthana Jaroennawarat	Managing Director	



Attachments

- Attachment 1 Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary
- Attachment 2 Details of the directors of subsidiaries
- Attachment 3 Details of the Heads of the Internal Audit and Compliance Units
- Attachment 4 Assets for business undertaking and details of asset appraisal
- Attachment 5 Unabridged policy and guidelines on corporate governance and unabridged code of business
- Attachment 6 Report of the Audit Committee

Attachment 1

Details on Directors, Executives, Controlling Persons, Chief Financial Officer, Chief Accountant, and Company Secretary

1. Details on Directors, Executives, Controlling Persons, Chief Financial Officer, Chief Accountant, and Company Secretary

1.1 Details on Directors, Executives, Controlling Persons, Chief Financial Officer, Chief Accountant, and Company Secretary

1. Mr. Sompop Sahawat

Age (year)	69
Position	<ul style="list-style-type: none"> • Chairman of the Board of Directors • Authorized Director
Date of appointment as a Director	1 November 1994
Education	<ul style="list-style-type: none"> • Diploma mechanical, Fachhochschule Dortmund, Germany
Director Training Program	<ul style="list-style-type: none"> • DAP/2004, Thai Institution of Directors Association (IOD)
Number of shares held in the company	None
Shareholding (%)	None
Family Relationship between Executives	<ul style="list-style-type: none"> • Father of Mr.Sittiwat Sahawat • Uncle of Mr.Wanthana Jaroennawarat • Uncle of Mr.Patta Sahawat • Uncle of Ms.Phattra Sahawat • Uncle of Mr.Somprasong Sahawat
Working Experience in the last 5 years	
<u>Period</u>	<u>Position</u>
2019 - Present	Chairman of the Board of Directors
2017 - Present	Chairman of the Board of Directors
2015 - Present	Chairman of the Board of Directors
2014 - Present	Director
2008 - Present	Honorary Advisor
2005 - Present	Chairman of the Board of Directors
	Chairman of the Board of Directors
	Chairman of the Board of Directors
	Chairman of the Board of Directors
	Chairman of the Board of Directors
2005 - 2 Jul. 2020	Chairman of the Board of Directors
Criminal - Free Track record for the past 10 years	None

Name / Company / Business type

Vanachai Logistics Co., Ltd.
 Vanachai Woodsmith Co., Ltd.
 Vanachai Energy Industries Co., Ltd.
 PV Wood Co., Ltd.
 The Thai Furniture Industries Association
 Vanachai Group PCL.
 Vanachai Panel Industries Co., Ltd.
 Vanachai Chemical Industries Co., Ltd.
 Woodtek International Co., Ltd.
 Particle Planner Co., Ltd.
 The Vanachai Group of Companies Co., Ltd.
 None

2. Mr. Nipon Wisiyuthasart

Age (year)	82	
Position	<ul style="list-style-type: none"> • Director • Independent Director • Chairman of the Audit Committee 	
Date of appointment as a Director	15 December 1999	
Education	<ul style="list-style-type: none"> • Master of National Institute of Development Administration (NIDA) 	
Director Training Program	<ul style="list-style-type: none"> • DAP/2005, Thai Institution of Directors Association (IOD) 	
Number of shares held in the company	None	
Shareholding (%)	None	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2014 - Present	Independent Director Chairman of the Audit Committee Nomination and Remuneration Committee	Country Group Holdings PCL. / Holding company
2010 - 13 Sep. 2018	Independent Director Chairman of the Audit Committee Nomination and Remuneration Committee	Grand Canal Land PCL. / Real estate development
1999 - Present	Independent Director Chairman of the Audit Committee	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None	



3. Police General Soontorn Saikwan

Age (year)	77	
Position	<ul style="list-style-type: none"> • Director • Independent Director 	
Date of appointment as a Director	19 April 2005	
Education	<ul style="list-style-type: none"> • MA - Political Science, Ramkhumhaeng University • (MFM, MIA, MIR, MFR)/2013, ACP/2013, Thai Institution of Directors Association (IOD) 	
Director Training Program	<ul style="list-style-type: none"> • DAP/2005, Thai Institution of Directors Association (IOD) 	
Number of shares held in the company	None	
Shareholding (%)	None	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2013 - Present	Vice Chairman Independent Director Audit Committee	Millcon Steel PCL. / Steel Industry
2012 - Present	Chairman of the Board of Directors Independent Director	PTG Energy PCL. / Selling fuel
2005 - Present	Independent Director	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None	

4. Police General Wichean Potephosree

Age (year)	68	
Position	<ul style="list-style-type: none"> • Director • Independent Director • Audit Committee 	
Date of appointment as a Director	28 April 2014	
Education	<ul style="list-style-type: none"> • Master of Arts Program in Economic Law, Chulalongkorn University • Master of Business Administration, Kasetsart University • Master of National Institute of Development, Administration (NIDA) • RCP/2014, FSD/2014, Thai Institution of Directors Association (IOD) • DCP/2004, DAP/2004, ACP/2004, Thai Institution of Directors Association (IOD) 	
Director Training Program		
Number of shares held in the company	60,000 shares	
Shareholding (%)	0.003% of Paid-up capital	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2015 - Present	Independent Director Chairman of the Audit Committee	Kingsmen C.M.T.I PCL. / Design and decoration of events such as trade shows
2014 - Present	Independent Director Chairman of the Audit Committee	Asian Insulators PCL. / Manufacture and sale of insulators made of ceramics
2014 - Present	Chairman of the Advisory	CP Land PCL. / Real estate development
6 May 2013 - 2016	Chairman of the Board of Director Independent Director	Pacific Pipe PCL. / Manufacture and sale of steel pipes
2014 - Present	Independent Director Audit Committee	Vanachai Group PCL.
Feb. - Oct. 2012	Independent Director Audit Committee	Vanachai Group PCL.
2006 - 2010	Independent Director Audit Committee	Vanachai Group PCL.
2004 - 2006	Independent Director	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None	



5. Mr. Seubtrakul Soonthornthum

Age (year)	79	
Position	<ul style="list-style-type: none"> • Vice Chairman • Director • Independent Director 	
Date of appointment as a Director	1 November 1994	
Education	<ul style="list-style-type: none"> • MBIM, Hon Dlitt, Curtin University • PMD, Harvard University, USA. 	
Director Training Program	<ul style="list-style-type: none"> • DAP/2004, Thai Institute of Directors Association (IOD) 	
Number of shares held in the company	None	
Shareholding (%)	None	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2020 - Present	Vice Chairman	Loxley PCL. / Commerce
2017 - Present	Vice Chairman of the Executive Board	Loxley PCL. / Commerce
2016 - Present	Chairman of the Audit Committee Independent Director	Phatra Leasing PCL. / Leasing for rent
2007 - 2017	Senior Executive Vice President	Loxley PCL. / Commerce
2004 - Present	Independent Director	UOB BANK PCL. / Financial institution
2000 - Present	Chairman	Muang Thai Real Estate PCL. / Building space for rent, condominium sales
2005 - Present	Vice Chairman Independent Director	Vanachai Group PCL.
2002 - 2005	Independent Director Audit Committee	Vanachai Group PCL.
1994 - Present	Independent Director	Vanachai Group PCL.
1993 - Present	Director	Loxley PCL. / Commerce
1987 - Present	Independent Director	Muang Thai Life Assurance PCL. / life insurance
Criminal - Free Track record for the past 10 years	None	

6. Mr. Kraithip Krairiksh

Age (year)	67	
Position	<ul style="list-style-type: none"> • Director • Independent Director • Audit Committee 	
Date of appointment as a Director	12 December 2008	
Education	<ul style="list-style-type: none"> • Master of Economics, Tufts University, USA. • CGI/2015, Thai Institute of Directors Association (IOD) 	
Director Training Program	<ul style="list-style-type: none"> • DAP/2005, Thai Institute of Directors Association (IOD) • Defense Joint State-Private, Class16 	
Number of shares held in the company	None	
Shareholding (%)	None	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2017 - Present	Independent Director, Audit Committee Chairman of the Nomination and Remuneration Committee Chairman of the Corporate Governance Committee	Major Cineplex Group PCL. / Cinema
2015 - 2016	Independent Director, Audit Committee Member of the Nomination and Remuneration Committee	Major Cineplex Group PCL. / Cinema
2013 - Present	Chairman of the Board of Directors Independent Director Chairman of the Audit Committee	Pace Development Corporation PCL. / Real estate development
2009 - Present	Independent Director Audit Committee	Samitivej PCL. / Hospital
2009 - Present	Chairman of the Board of Directors Independent Director	Krungthai Zmico Securities Co., Ltd. / Buy-sell securities
2008 - Present	Independent Director, Audit Committee	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None	



7. Ms. Yupaporn Boongate

Age (year)	67	
Position	<ul style="list-style-type: none"> • Vice Chairman • Director • Authorized Director 	
Date of appointment as a Director	4 January 1995	
Education	<ul style="list-style-type: none"> • Maetee Chuhawan College 	
Director Training Program	<ul style="list-style-type: none"> • DAP/2005, Thai Institute of Director Association (IOD) 	
Number of shares held in the company	36,000,000 shares	
Shareholding (%)	2.075% of Paid-up capital	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2019 - Present	Director	Vanachai Logistics Co., Ltd.
2017 - Present	Director	Vanachai Woodsmith Co., Ltd.
2015 - Present	Director	Vanachai Energy Industries Co., Ltd.
2005 - Present	Director	Particle Planner Co., Ltd.
	Director	Vanachai Chemical Industries Co., Ltd.
	Director	Vanachai Panel Industries Co., Ltd.
	Director	Woodtek International Co., Ltd.
1995 - Present	Director	Vanachai Group PCL.
1991 - 2 Jul. 2020	Director	The Vanachai Group of Companies Co., Ltd.
Criminal - Free Track record for the past 10 years	None	

8. Mr. Wanthana Jaroennawarat

Age (year)	61
Position	<ul style="list-style-type: none">• Director• Managing Director• Authorized Director• Executive Chairman
Date of appointment as a Director	1 November 1994
Education	<ul style="list-style-type: none">• Honorary Doctoral Degree in Industrial Design, Faculty of Engineering and Architecture, Rajamangala University of Technology Tawan-ok• Master of Engineering Faculty of Engineering, King Mongkut's University of Technology North Bangkok• Top Executive Program in Creative & Amazing Thai Services (Class 1/2019), Commerce Academy• Top Executive Program in Commerce and Trade (Class 11/2018), Commerce Academy• Advanced Management Course in Power Science (Class 8/2016), Institute of Energy Science• Administrative Justice for Executives Program (Class no.18/2014), The Office of the Administrative Courts of Thailand• Poom Palung Pandin Courses for Executives (Class No.1/2012), Chulalongkorn University• Capital Market Academy Executive Program (Class No.13/2011), Capital Market Academy
Director Training Program	<ul style="list-style-type: none">• DAP/2004, Thai Institution of Directors Association (IOD)
Number of shares held in the company	35,999,999 shares
Shareholding (%)	2.075% of Paid-up capital



Family Relationship between Executives

- Nephew of Mr. Sompop Sahawat
- Cousin of Mr. Patta Sahawat
- Cousin of Ms. Phattra Sahawat
- Cousin of Mr. Somprasong Sahawat
- Cousin of Mr. Sittiwat Sahawat

Working Experience in the last 5 years

<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2021 - Present	Director	Vanachai Logistics Enterprise Co., Ltd.
2019 - Present	Director	Vanachai Logistics Co., Ltd.
2017 - Present	Director	Vanachai Woodsmith Co., Ltd.
2015 - Present	Director	Vanachai Energy Industries Co., Ltd.
2014 - Present	Director	PV Wood Co., Ltd.
2008 - Present	Honorary President	The Thai Furniture Industries Association
2008 - Present	Honorary Chairman of Thai Panel Product Industry Club	The Federation of Thai Industries
1995 - Present	Director	Vanachai Panel Industries Co., Ltd.
1994 - Present	Director	Vanachai Group PCL.
	Director	Vanachai Chemical Industries Co., Ltd.
1993 - Present	Director	Particle Planner Co., Ltd.
1991 - 2 Jul. 2020	Director	The Vanachai Group of Companies Co., Ltd.
1989 - Present	Director	Woodtek International Co., Ltd.
Criminal - Free Track record for the past 10 years		None

9. Mr. Suthep Chaipattavanich

Age (year)	58	
Position	Director	
Date of appointment as a Director	1 November 1994	
Education	• BA-Marketing, Assumption University	
Director Training Program	• DAP/2004, Thai Institution of Directors Association (IOD)	
Number of shares held in the company	36,000,000 shares (Mrs. Siriporn Chaipattavanich) of his spouse	
Shareholding (%)	2.075% (Mrs. Siriporn Chaipattavanich) of paid-up capital of his spouse	
Family Relationship between Executives	• Brother-in-law of Mr. Patta Sahawat • Brother-in-law of Ms. Phattra Sahawat	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2021 - Present	Director	Vanachai Logistics Enterprise Co., Ltd.
2019 - Present	Director	Vanachai Logistics Co., Ltd.
2017 - Present	Director	Vanachai Woodsmith Co., Ltd.
2015 - Present	Director	Vanachai Energy Industries Co., Ltd.
2005 - 2 Jul. 2020	Director	The Vanachai Group of Companies Co., Ltd.
1995 - Present	Director	Vanachai Panel Industries Co., Ltd.
1994 - Present	Director	Vanachai Group PCL.
	Director	Vanachai Chemical Industries Co., Ltd.
1993 - Present	Director	Woodtek International Co., Ltd.
	Director	Particle Planner Co., Ltd.
Criminal - Free Track record for the past 10 years	None	



10. Mr. Patta Sahawat

Age (year)	49
Position	<ul style="list-style-type: none"> • Director • Deputy Managing Director • Authorized Director
Date of appointment as a Director	25 April 2001
Education	<ul style="list-style-type: none"> • Diploma Mount Ida College, Massachusetts, USA.
Director Training Program	<ul style="list-style-type: none"> • DAP/2004, Thai Institution of Directors Association (IOD)
Number of shares held in the company	36,000,000 shares
Shareholding (%)	2.075% of Paid-up capital
Family Relationship between Executive	<ul style="list-style-type: none"> • Nephew of Mr. Sompop Sahawat • Elder Brother of Ms. Phattra Sahawat • Cousin of Mr. Wanthana Jaroennawarat • Cousin of Mr. Somprasong Sahawat • Cousin of Mr. Sittiwat Sahawat • Brother of wife of Mr. Suthep Chaipattanavanich (Mrs. Siriporn Chaipattanavanich)

Working Experience in the last 5 years

<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2021 - Present	Director	Vanachai Logistics Enterprise Co., Ltd.
2019 - Present	Director	Vanachai Logistics Co., Ltd.
2017 - Present	Director	Vanachai Woodsmith Co., Ltd.
2015 - Present	Director	Vanachai Energy Industries Co., Ltd.
2008 - Present	Vice Chairman Honorary of Thai Panel Products Industry Club	Thai Panel Products Industry Club
2005 - 2 Jul. 2020	Director	The Vanachai Group of Companies Co., Ltd.
2002 - Present	Director	Woodtek International Co., Ltd.
2001 - Present	Director	Vanachai Group PCL.
	Director	Vanachai Panel Industries Co., Ltd.
	Director	Vanachai Chemical Industries Co., Ltd.
	Director	Particle Planner Co., Ltd.
Criminal - Free Track record for the past 10 years		None

11. Ms. Phattra Sahawat

Age (year)	47
Position	<ul style="list-style-type: none"> • Director • Authorized Director • Assistant Managing Director
Date of appointment as a Director	25 April 2002
Education	<ul style="list-style-type: none"> • MSA. Multinational Commerce, Boston University, USA.
Director Training Program	<ul style="list-style-type: none"> • DAP/2004, Thai Institution of Directors Association (IOD)
Number of shares held in the company	36,000,000 shares
Shareholding (%)	2.075% of Paid-Up Capital
Family Relationship between Executives	<ul style="list-style-type: none"> • Niece of Mr. Sompop Sahawat • Younger sister of Mr. Patta Sahawat • Cousin of Mr. Wanthana Jaroennawarat • Cousin of Mr. Somprasong Sahawat • Cousin of Mr. Sittiwat Sahawat • Sister of wife of Mr. Suthep Chaipattanavanich (Mrs. Siriporn Chaipattanavanich)

Working Experience in the last 5 years

<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2021 - Present	Director	Vanachai Logistics Enterprise Co., Ltd.
2019 - Present	Director	Vanachai Logistics Co., Ltd.
2017 - Present	Director	Vanachai Woodsmith Co., Ltd.
2015 - Present	Director	Vanachai Energy Industries Co., Ltd.
2014 - Present	Director	PV Wood Co., Ltd.
2012 - Present	Director	Vanachai Panel Industries Co., Ltd.
	Director	Particle Planner Co., Ltd
	Director	Vanachai Chemical Industries Co., Ltd.
	Director	Woodtek International Co., Ltd.
2005 - 2 Jul. 2020	Director	The Vanachai Group of Companies Co., Ltd.
2002 - Present	Director	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years		None



12. Mr. Somprasong Sahavat

Age (year)	45	
Position	<ul style="list-style-type: none"> • Director • Authorized Director • Assistant Managing Director • Chief Finance Officer (CFO) 	
Date of appointment as a Director	13 May 2003	
Date of appointment is the highest account ability in the accounting and finance (CFO)	12 November 2018	
Education	<ul style="list-style-type: none"> • MPA/ID, Harvard University, USA. • CFO Refresher Class 2/2021, Capital Market Knowledge Development, SET • Strategic CFO in Capital Markets Program (Class 3, 2014), SET • Capital Market Academy Executive Program (Class 16, 2014), Capital Market Academy 	
Director Training Program	<ul style="list-style-type: none"> • DAP/2004, Thai Institution of Directors Association (IOD) 	
Number of shares held in the company	36,000,000 shares	
Shareholding (%)	2.075% of Paid-up capital	
Family Relationship between Executives	<ul style="list-style-type: none"> • Nephew of Mr. Sompop Sahawat • Cousin of Mr. Wanthana Jaroennawat • Cousin of Mr. Patta Sahawat • Cousin of Ms. Phattra Sahawat • Cousin of Mr. Sittiwat Sahawat 	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2021 - Present	Director	Vanachai Logistics Enterprise Co., Ltd.
2019 - Present	Director	Vanachai Logistics Co., Ltd.
2017 - Present	Director	Vanachai Woodsmith Co., Ltd.
2015 - Present	Director	Vanachai Energy Industries Co., Ltd.
2011 - Present	Director	Vanachai Panel Industries Co., Ltd.

<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2010 - Present	Director	Particle Planner Co., Ltd.
	Director	Vanachai Chemical Industries Co., Ltd.
	Director	Woodtek International Co., Ltd.
2003 - Present	Director	Vanachai Group PCL.
2000 - 2 Jul. 2020	Director	The Vanachai Group of Companies Co., Ltd.
Criminal - Free Track record for the past 10 years		None

13. Mr. Sittiwat Sahawat

Age (year)	41
Position	<ul style="list-style-type: none"> • Director • Authorized Director • Assistant Managing Director
Date of appointment as a Director	14 May 2019
Education	<ul style="list-style-type: none"> • Business Administrative, San Francisco State University, USA
Director Training Program	<ul style="list-style-type: none"> • DAP/2019, Thai Institution of Director Association (IOD)
Number of shares held in the company	36,000,000 หุ้น
Shareholding (%)	2.075% of Paid-up capital
Family Relationship between Executives	<ul style="list-style-type: none"> • Son of Mr.Sompop Sahawat • Cousin of Mr.Wanthana Jaroennawarat • Cousin of Mr.Patta Sahawat • Cousin of Ms.Phattra Sahawat • Cousin of Mr.Somprasong Sahawat

Working Experience in the last 5 years

<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2021 - Present	Director	Vanachai Logistics Enterprise Co., Ltd.
2019 - Present	Director	Vanachai Logistics Co., Ltd.
	Director	Vanachai Woodsmith Co., Ltd.
	Director	Vanachai Energy Industries Co., Ltd.
	Director	Vanachai Panel Industries Co., Ltd.
	Director	Particle Planner Co., Ltd.
	Director	Vanachai Chemical Industries Co., Ltd.



Working Experience in the last 5 years

<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2019 - Present	Director	Woodtek International Co., Ltd.
	Director	Vanachai Group PCL.
2015 - Present	Assistant Managing Director	Vanachai Group PCL.
2012 - 2015	Deputy Managing Director	Woodtek International Co., Ltd.
Criminal - Free Track record for the past 10 years		None

14. Mr. Surapong Dumrisilp

Age (year)	64	
Position	<ul style="list-style-type: none"> • Director • Assistant Managing Director 	
Date of appointment as a Director	6 March 2015	
Education	<ul style="list-style-type: none"> • BA-Accounting, Thammasat University 	
Director Training Program	<ul style="list-style-type: none"> • DAP/2017, Thai Institution of Director Association (IOD) 	
Number of shares held in the company	None	
Shareholding (%)	None	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2015 - Present	Director	Vanachai Group PCL.
2010 - Present	Assistant Managing Director	Vanachai Group PCL.
2002 - 2010	Assistant Deputy Managing	Vanachai Group PCL.
	Director	
Criminal - Free Track record for the past 10 years		None

15. Mr. Vichai Nivespathomwat

Age (year)	75
Position	Director
Date of appointment as a Director	24 February 2020
Education	<ul style="list-style-type: none"> • Mini MBA Class 21/1988, Thammasat University
Director Training Program	<ul style="list-style-type: none"> • DAP/2020, Thai Institution of Director Association (IOD)
Number of shares held in the company	None
Shareholding (%)	None
Family Relationship between Executives	None
Working Experience in the last 5 years	
<u>Period</u>	<u>Position</u> <u>Name / Company / Business type</u>
24 Feb. 2020 - Present	Director Vanachai Group PCL.
2020 - Present	Consultant Woodtek International Co., Ltd.
2010 - 2019	Deputy Managing Director Woodtek International Co., Ltd.
Criminal - Free Track record for the past 10 years	None

16. Mr. Phumsakdi Chullavullibha

Age (year)	57
Position	Assistant Managing Director
Date of appointment as an Assistant Managing Director	1 February 2010
Education	<ul style="list-style-type: none"> • DBA-Industrial Business and Human Resource Development, King Mongkut's University of Technology North Bangkok • MIE-Industrial Engineering, King Mongkut's University of Technology North Bangkok
Number of shares held in the company	None
Shareholding (%)	None
Family Relationship between Executives	None
Working Experience in the last 5 years	
<u>Period</u>	<u>Position</u> <u>Name / Company / Business type</u>
2010 - Present	Assistant Managing Director Vanachai Group PCL.
1993 - 2010	Planning & Development Manager Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None



17. Mr. Witoon Samapath

Age (year)	62	
Position	Accounting Supervisor	
Date of appointment as an Accounting Supervisor	9 October 2001	
Education	<ul style="list-style-type: none"> • BA-Accounting, Thammasat University • Training for continuing knowledge development in accounting <ul style="list-style-type: none"> Year 2021, amount 12 hours Year 2020, amount 12 hours Year 2019, amount 16.30 hours Year 2018, amount 12 hours Year 2017, amount 12 hours Year 2016, amount 12 hours Year 2015, amount 6 hours 	
Number of shares held in the company	None	
Shareholding (%)	None	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
9 Oct. 2001 - Present	Accounting Supervisor	Vanachai Group PCL.
1996 - 30 Sep 2021	Administrative Manager	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None	

18. Mr. Aruck Tungtrakool

Age (year)	61
Position	Company Secretary
Date of appointment as a Company Secretary	11 August 2008
Education	<ul style="list-style-type: none"> • BA-Accounting, Thammasat University • Practitioners Company Secretary Course <ul style="list-style-type: none"> Class No. 21/2009, Thai Company Secretary Club
Number of shares held in the company	None
Shareholding (%)	None
Family Relationship between Executives	None

Working Experience in the last 5 years

<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
2008 - Present	Company Secretary	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years		None

19. Mrs. Prapaporn Sringam

Age (year)	56	
Position	Administrative Manager	
Date of appointment as an Administrative Manager	1 October 2021	
Education	• Bachelor's degree in Finance and Banking, Ramkhamhaeng University	
Number of shares held in the company	None	
Shareholding (%)	None	
Family Relationship between Executives	None	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company / Business type</u>
1 Oct. 2021 - Present	Administrative Manager	Vanachai Group PCL.
1 Mar. 2015 - 30 Sep. 2021	Head of Purchasing	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years		None



1.2 Responsibilities of the Secretary of the Company

The secretary of the company is responsible for the duties as stipulated in Article 89/15 and Article 89/16 of the Securities and Exchange Act (No.4) B.E. 2551, being effective since the date of 31 August 2008, with accountability, carefulness, and uprightness. In addition, the secretary must operate according to relevant laws, objectives and regulations of the company, the committee's resolutions, as well as the resolutions derived from the shareholders' meetings. The secretary's responsibilities as stipulated by law include:

1. Prepare and keep the following documents:
 - (a) Records of directors
 - (b) The Board of Directors' meeting appointment letters, minutes of the meetings, and the company's annual report
 - (c) The shareholders' meeting appointment letters and minutes of the shareholders' meetings.
2. Keep the report on the interests of the directors or executives, and send a copy of the report, according to Article 89/14, to the Chairman of the Board of Directors and the Chairman of the Audit Committee for acknowledgement within 7 working days from the date of receiving such a report.
3. Carry out other tasks as assigned by the Capital Market Supervisory Board.

In addition, the secretary of the company is also responsible for the following tasks assigned by the Board of Directors. Tasks related to the meeting:

1. Tasks related to the meeting:
 - Arrange meetings, coordinate and gather documents for shareholders, and follow up and review the meeting agenda
 - Keep documents related to the meetings such as minutes of the meetings of the Board of Directors, minutes of the shareholders' meetings.
2. Ensure the compliance of related laws and regulations
 - Monitor and examine the company's implementation regarding the memorandum of association, the company's regulations, the Securities and Exchange Act, Public Limited Companies Act, etc.
3. Prepare, gather and disseminate information
 - Prepare a draft of the Message from the Board of Directors regarding business performance, coordinate the dissemination of the annual report and the financial statements
 - Gather a list of shareholders' names and examine the movement of such a list
 - Report the asset holding according to the regulations stipulated by the Stock Exchange of Thailand.
4. Report information according to the requirements of the Stock Exchange of Thailand and investors
 - Increase/decrease of capital, acquisition or distribution of the assets of the registered company and subsidiaries
 - Prepare information and coordinate in order to communicate with investors and analysts
5. Other tasks assigned by the company

2. Detail about the holding a position of Executive and control authority in the company, subsidiaries and related companies

Company List Name		Position	Subsidiary Companies									Related Companies	
			1	2	3	4	5	6	7	8	9	1	2
1. Mr. Sompop	Sahawat	✕+√+√√	✕	✕	✕	✕	√	✕	✕	✕	-	-	-
2. Mr. Nipon	Wisityuthasart	√	-	-	-	-	-	-	-	-	-	-	-
3. Pol. Gen. Soontorn	Saikwan	√	-	-	-	-	-	-	-	-	-	-	-
4. Pol Gen. Wichean	Potephosree	√	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Suebrakul	Soonthornthum	√	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Kraithip	Krairiksh	√	-	-	-	-	-	-	-	-	-	-	-
7. Ms. Yupaporn	Boongate	√+√√	√	√	√	√	-	√	√	√	-	√	√
8. Mr. Wanthana	Jaroennawarat	√+√√	√	√	√	√	√	√	√	√	√	√	√
9. Mr. Suthep	Chaipattanavanich	√+√√	√	√	√	√	-	√	√	√	√	-	-
10. Mr. Patta	Sahawat	√+√√	√	√	√	√	-	√	√	√	√	√	√
11. Ms. Phattra	Sahawat	√+√√	√	√	√	√	√	√	√	√	√	√	√
12. Mr. Somprasong	Sahavat	√+√√	√	√	√	√	-	√	√	√	√	-	-
13. Mr. Sittiwat	Sahawat	√+√√	√	√	√	√	-	√	√	√	√	-	-
14. Mr. Surapong	Dumrisilp	√+√√	-	-	-	-	-	-	-	-	-	-	-
15. Mr. Vichai	Nivespathomwat	√	-	-	-	-	-	-	-	-	-	-	-
16. Mr. Phumsakdi	Chullavullibha	-	-	-	-	-	-	-	-	-	-	-	-
17. Mr. Witoon	Samapath	-	-	-	-	-	-	-	-	-	-	-	-
18. Mr. Aruck	Tungtrakool	-	-	-	-	-	-	-	-	-	-	-	-
19. Mrs. Prapaporn	Sringam	-	-	-	-	-	-	-	-	-	-	-	-

Remark

✕ = Chairman

√ = Director

√√ = Executive Director

Subsidiary Companies

1. Particle Planner Co., Ltd.
2. Woodtek International Co., Ltd.
3. Vanachai Chemical Industries Co., Ltd.
4. Vanachai Panel Industries Co., Ltd.
5. PV Wood Co., Ltd.
6. Vanachai Energy Industries Co., Ltd.
7. Vanachai Woodsmith Co., Ltd.
8. Vanachai Logistics Co., Ltd.
9. Vanachai Logistics Enterprise Co., Ltd.

Related Companies

1. Vanachai Plywood Co., Ltd.
2. Rich forest Co., Ltd.



Shareholding in subsidiaries of the Company's directors as of December 31, 2021

Subsidiaries list		1	2	3	4	5	6	7	8	9
Directors list										
1. Mr. Sompop	Sahawat	1	1	1	1	-	1	1	1	1
2. Mr. Nipon	Wisityuthasart	-	-	-	-	-	-	-	-	-
3. Pol. Gen. Soontorn	Saikwan	-	-	-	-	-	-	-	-	-
4. Pol Gen. Wichean	Potephosree	-	-	-	-	-	-	-	-	-
5. Mr. Suebrakul	Soonthornthum	-	-	-	-	-	-	-	-	-
6. Mr. Kraithip	Krairiksh	-	-	-	-	-	-	-	-	-
7. Ms. Yupaporn	Boongate	1	1	1	1	-	-	-	1	-
8. Mr. Wantha	Jaroennawarat	1	1	1	1	-	1	1	1	1
9. Mr. Suthep	Chaipattanavanich	-	-	-	1	-	-	-	-	1
10. Mr. Patta	Sahawat	1	-	1	-	-	-	-	-	-
11. Ms. Phattra	Sahawat	-	1	-	1	-	1	1	-	-
12. Mr. Somprasong	Sahawat	1	1	1	-	-	-	-	-	-
13. Mr. Sittiwat	Sahawat	-	-	-	-	-	-	-	-	-
14. Mr. Surapong	Dumrisilp	-	-	-	-	-	-	-	-	-
15. Mr. Vichai	Nivespathomwat	-	-	-	-	-	-	-	-	-

Subsidiaries and related companies do not issue debentures. Therefore, there is no debenture holding in the subsidiary. and related companies

Subsidiaries

1. Particle Planner Co., Ltd.
2. Vanachai Panel Industries Co., Ltd.
3. Vanachai Chemical Industries Co., Ltd.
4. Woodtek International Co., Ltd.
5. PV Wood Co., Ltd.
6. Vanachai Energy Industries Co., Ltd.
7. Vanachai Woodsmith Co., Ltd.
8. Vanachai Logistics Co., Ltd.
9. Vanachai Logistics Enterprise Co., Ltd.

Attachment 2

Details of the directors of the subsidiary

List of Subsidiaries		1	2	3	4	5	6	7	8	9
List of directors										
1. Mr. Sompop	Sahawat	✘	✘	✘	✘	✓	✘	✘	✘	-
2. Ms. Yupaporn	Boongate	✓	✓	✓	✓	-	✓	✓	✓	-
3. Mr. Wanthana	Jaroennawarat	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Mr. Suthep	Chaipattananavich	✓	✓	✓	✓	-	✓	✓	✓	✓
5. Mr. Patta	Sahawat	✓	✓	✓	✓	-	✓	✓	✓	✓
6. Ms. Phattra	Sahawat	✓	✓	✓	✓	✓	✓	✓	✓	✓
7. Mr. Somprasong	Sahavat	✓	✓	✓	✓	-	✓	✓	✓	✓
8. Mr. Sittiwat	Sahawat	✓	✓	✓	✓	-	✓	✓	✓	✓

✘ = Chairman ✓ = Director

Subsidiary Companies

1. Particle Planner Co., Ltd.
2. Woodtek International Co., Ltd.
3. Vanachai Chemical Industries Co., Ltd.
4. Vanachai Panel Industries Co., Ltd.
5. PV Wood Co., Ltd.
6. Vanachai Energy Industries Co., Ltd.
7. Vanachai Woodsmith Co., Ltd.
8. Vanachai Logistics Co., Ltd.
9. Vanachai Logistics Enterprise Co., Ltd.



Attachment 3

Details about the Head of Internal Audit and the head of the company's compliance department

- The Company does not have an internal audit unit and the head of the company's compliance department

Attachment 4

Assets used in business operations and details of property appraisal transactions

Assets used in business operations

4.1 Main fixed assets of the Company and its subsidiaries

- All assets of Vanachai Group Public Company Limited and its subsidiaries refers to assets located in the area where the head office is located - No. 2/1 Wongsawang Road, Wongsawang Subdistrict, Bang Sue District, Bangkok, including those located in factories in Province Chonburi, Saraburi, Rayong, and Surat Thani.

The total fixed assets of Vanachai Group Public Company Limited and its subsidiaries as on 31 December 2021 are as follows:

<u>Type / Characteristics of Property</u>	<u>Proprietary nature</u>	<u>Net book value (million baht)</u>	<u>Obligation</u>
1. Land and land improvements, with total area of 1,165 Rai 3 Ngan 90 square Wah	Owner	385.58	Mortgaged for short-term loans and long-term loans from financial institutions in the amount of 9,768.48 million baht
2. Building improvements, factory building and construction	Owner	1,418.92	
3. Machines and equipment	Owner	6,827.24	
4. Tools	Owner	0.24	
5. Land and land improvements, with total area of 658 Rai 3 Ngan 7.50 square Wah	Owner	272.09	Not bound by obligations
6. Building improvements, factory building and construction	Owner	698.81	Not bound by obligations
7. Machines and equipment	Owner	2,829.51	Not bound by obligations
8. Vehicles	Owner	97.63	Not bound by obligations
9. Tools	Owner	46.17	Not bound by obligations
10. Furniture and office equipment	Owner	32.76	Not bound by obligations
11. Construction in progress	Owner	387.38	Not bound by obligations
Total		12,996.33	

Intangible Assets

- Vanachai Chemical Industries Co., Ltd. (a subsidiary company) has royalty payment transaction of an intangible asset arising from the purchase of machinery and production technology from foreign manufacturers which there will be a production license and transfer of formaldehyde production technology to the Company, with terms that the production technology is not transferred to others.

- Vanachai Group Public Company Limited has royalty payment transaction of an intangible asset arising from the purchase of laminated flooring wood production technology, which is a system for locking each plank together.



4.2 Investment Policy in Subsidiaries

The Company has a policy to invest in subsidiary companies with the objective of merging the group of companies in the business of producing and selling panel boards to replace natural wood and related products of the Vanachai group together.

Management Policy in Subsidiaries

The Company has a policy to focus on the subsidiaries to be able to produce quality products with competitive production costs, able to help support income and sales of products within the group. The Executive Directors of the Company will also be the Executive Directors of the Subsidiaries in order to be able to formulate policies and supervise operations of the subsidiaries to be in accordance with the directions and policies set.

Details on appraisal of the properties

- None -

Corporate Governance Policy

To operate the Company's business with continuous growth and increase confidence of shareholders, investors, and stakeholders, the Company establishes the corporate governance policy which requires the Board of Directors to comply with as follows:

- Performing the management with prudence and caution and being responsible for performing duties with sufficient capabilities and efficiency to create the highest benefits to shareholders
- Ensuring that there are no conflicts of interest and being responsible for their own decisions and actions
- Performing operations with transparency and traceability and disclosing sufficient information to all stakeholders
- Always conducting business by taking into account risks with appropriate risk control and management

Code of Conduct

Vanachai Group Public Company Limited, the "Company", is responsible for conducting business ethically, properly complying with the relevant laws and other requirements, and adhering to responsibility, disclosure of information, transparency, traceability, and creation of long-term business value. The Company adheres to the Code of Conduct as follows:

1. Being responsible for the outcome of their decisions and actions
2. Being transparent, openly, and honestly
3. Treating all parties equally
4. Aiming to create long-term business value to stakeholders

The success of the Company's sustainable business operations depends on the conduct and practices of all directors and employees who are responsible for performing duties according to the Company's principles and regulations.

This Code of Conduct is the policy and practice to which any group of persons involved in the Company's business should adhere. All directors and employees of the Company should comply with this Code of Conduct. The Company considers that it is common responsibility to ensure equality, mutual respect and integrity incurred at work. Regarding details, all directors and employees shall exercise good discretion and good awareness for the overall benefits of the Company.

1. Policy on Conflicts of Interest

- Directors and employees should avoid any actions that go against the interests of the Company, regardless of dealing with the Company's commercial stakeholders, such as business partners, customers, competitors, or exploiting opportunities or information obtained from being an director or employee for their personal gains, and do business competing with the Company or perform other works other than the Company's works, which affects their duties and works.
- Regarding the connected transactions, in the event that such transaction is necessary for the benefit of the Company, the transaction shall be made as if it were made to a third party. The directors or employees who have any interest in such transaction shall not participate in the decision.
- Connected transactions shall be reviewed or considered by the Audit Committee. In the event that any member of the Audit Committee has any interest in connected transactions, the Audit Committee shall not be involved in considering such connected transaction.
- Not exploiting information obtained from being a director or employee for their personal gains, such as doing business relating to or competing with the Company.



2. Policy on Connected Transactions

Connected Transactions

According to the definition of the Stock Exchange of Thailand, connected transaction refers to any transaction made by a listed company or its subsidiary with a connected person of the listed company or any transaction made by a subsidiary with a connected person of the subsidiary. Connected person includes:

1. Executives, major shareholders, controlling persons, or persons to be nominated for executives or controlling persons of a listed company or its subsidiary, including related parties and close relatives of such persons
2. Any juristic person with major shareholders or controlling persons, who are an executive, major shareholder, controlling person, persons to be nominated for executives or controlling persons of a listed company or its subsidiary, including related parties and close relatives of such persons
3. Any person whose actions can be indicated as a proxy or under the influence of a person under Item 1 and 2 when significantly making decisions, determining policies, handling management or operations, or any other persons having similar manner deemed by the Stock Exchange of Thailand.

Directors and executives shall carefully consider conflicts of interest in connected transactions made by the Company, its subsidiaries, and related companies on the basis of integrity, rationality and freedom within the framework of good ethics, taking into account the best interests of the Company. Connected transaction is divided into 6 categories as follows:

1. Normal business transactions are trading transactions relating to assets/services which are the normal course of business of the Company under general trading conditions, such as trading MDF sheets, particle sheets, purchase of raw materials, i.e. rubber wood, glue, etc.
2. Normal business support transactions are trading transactions relating to assets/services made to support the Company's normal course of business for the purpose of smooth operations, such as freight forwarding, using warehouse services for goods storage, advertising, contract of technical support or administrative employment, etc.
3. Transaction relating to short-term rental / lease of real estate are rental or lease transactions that do not meet general trading conditions and have a contract term of no more than 3 years.
4. Transactions relating to assets or services.
5. Transaction relating to offer or receipt of financial assistance with subsidiaries, related companies, other connected persons, such as working capital in the form of loan, loan guarantee, etc.
6. Other connected transactions other than those mentioned in Item 1 to 5.

Audit Committee

It is responsible for reviewing connected transactions or related transactions made by the Company, its subsidiaries, related companies, and connected persons and considering accurate and complete disclosure of information of the Company in the event of connected transactions or transactions with potential conflicts of interest for the best interests of the Company.

Personnel at all levels

They shall prepare a report on the disclosure of suspected transactions having conflicts of interest with the Company by notifying the supervisor according to the position hierarchy and submitting it to the Office of the Managing Director to further determine whether there are interests in conflicts with the Company.

3. Policy on maintenance and use of Company's assets

- Employees have a duty and responsibility to protect the Company's assets from damage and loss and to use the assets efficiently for the highest benefit of the Company and avoid using the Company's assets for their personal gains or benefit of other persons.
- Such assets refer to tangible and intangible assets, such as movable assets, immovable assets, technology, academic knowledge, certificate of ownership, patents, copyrights as well as confidential information that is not publicly published, i.e. business plans, financial estimates, human resources information, etc.
- All employees should strictly avoid disclosing or exploiting confidential information of the Company.

4. Policy on offer or acceptance of gifts or entertainment

- Employees shall not demand, accept or agree to accept money, items or other benefits from persons involved in business with the Company.
- Employees may accept or offer gifts in accordance with tradition. Such acceptance of gifts shall not affect any business decisions of recipients.
- The gift received should have little or no value and it should not be cash or cash equivalent.
- If an employee receives gifts on occasions in accordance with traditions with the value exceeding the normal value from persons involved in business with the Company, he/she shall report supervisors according to the position hierarchy.
- Offer or acceptance of gifts may be done if it is performed with transparency or in an open location or can be disclosed.

5. Policy on insider trading, the Company's securities trading and provision of information

The Company is listed on the Stock Exchange of Thailand. Therefore, it is an important policy to ensure equality and fairness to all shareholders equally and to prevent illegal acts of personnel at all levels of the Company and all family members who have been informed or may be informed of inside information that has not been publicly published. As such, the Company prohibits such person from trading shares or soliciting other parties to buy or sell, or offer to sale or offer to purchase the Company's shares, either in person or through a broker, while they possess information that has not been publicly published. It shall be considered by the Company and the Stock Exchange of Thailand as securities trading for speculation or creating advantages to a particular group. The Company establishes the policy for personnel at all levels to strictly adhere to and comply with as follows:

Insider Trading

Directors, executives, employees of all levels and their families who have been informed of information or material information regarding changes in the price of the Company's securities that have not been publicly published shall not exploit such information for profit or benefit, directly or indirectly, from the Company's securities trading.

Company's Securities Trading

Directors, executives, or the first four top-ranking executives after the manager level who hold the position equivalent to all the 4th ranking executive, including executives in the line of accounting or finance at the manager level or higher level or equivalent shall be obliged to report their securities holding in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. Directors and executives as defined by the SEC shall be responsible for reporting their securities holdings in accordance with regulations of the SEC.



Provision of Information

The Company has the policy on significant information disclosure to the public as follows:

- All directors, executives, and employees are responsible for confidentiality of the Company by taking care of and prevent the leakage of confidential documents or information of the Company or the disclosure to unrelated persons, which may cause damages to the Company, including the disclosure of the Company's documents or information to third parties, unless the permission is granted by the Company. Information that needs to be exchanged with a business partner during the normal course of business is not considered confidential information. In the case of any doubt or uncertainty about confidential information, always consult your supervisors first.
- The Company will disclose significant information to the public in a transparent, timely, and equitable manner.
- In the event that the Company acknowledges rumors or news, whether it is true or not, the Company will clarify such rumors or news as soon as possible, as they may affect securities trading or investment decisions in the Company's securities.
- In the case of the Company's securities trading is unusual from the normal conditions, the Company will consider whether the Company is in the process of carrying out important matters that may affect securities trading. If there is no such thing or the Company does not know the cause, the Company shall inform that the Company has not made any significant developments relating to its business and operations other than those previously disclosed to the Stock Exchange of Thailand or the Company does not know the cause of the Company's unusual securities trading from the normal conditions.
- The Company will refrain from disclosing information in a promotional manner that is beyond the necessity for investment decisions in the Company's securities, releasing news by using offensive words, and exaggeratedly reporting or forecasting that may mislead investors and cause price movements or trading volume of the Company's securities for no reasonable ground.
- Disclosure of information or news of the Company to the public shall be approved by the managing director or a person assigned by the managing director.
- The managing director will be responsible for investor relations activities by providing information and news of the Company's activities to investors, shareholders, analysts, and the general public under the requirements of the Stock Exchange of Thailand.

6. Policy on Confidentiality

Confidentiality of Company

- The Board of Directors, executives, employees, and contractors of Vanachai Group shall handle confidentiality of information and documents that cannot be disclosed and/or trade secret and inventions, which are considered the right of Vanachai Group.
- Executives and employees of Vanachai Group shall be aware of the procedures of information security and comply with such procedures to prevent confidential information from being unintentionally disclosed.

Determination of Confidentiality Level

- The Company's trade secrets shall be prevented from leakage by determining based on the importance of information, such as information that can be disclosed, concealed information, confidential information, etc.
- The sharing of inside information shall be only in accordance with the framework of the assigned duties and responsibilities.

Provision of Information to Third Parties

The managing director shall approve information disclosed to the public. Regarding the capital markets and investor relations, the agency of data subject shall provide details to the managing director for providing information to investors.

Opinion Expression to Third Parties

- Not disclosing or expressing any opinion to any person outside the Company
- Asking yourself first if you have a duty to answer those questions. If not, please refuse to express opinions politely and suggest them to ask from data subject directly.

7. Policy on Whistleblowing

- The Board of Directors and the Management consider that whistleblowing is the duty that everyone should perform because it helps the organization not to encounter any problems, either financial problems or damages to the Company's image.
- To monitor and solve problems in a timely manner, the Company offers opportunities to its employees to blow a whistle in the organization by allowing employees to send information about the misconduct of persons in the Company to supervisors, managing director, and Audit Committee. Such misconduct refers to corruption, fraud, misuse of the Company's assets, bribery, accounting manipulation, illegal and unethical conduct, defective internal control system or other acts that will adversely affect the Company's business operations, which will allow the Company to be aware of corruption or misconduct occurred in the organization faster and solve problems in a timely manner.
- Executives who are informed by whistleblowers shall investigate the facts. The Company will appropriately consider the penalty according to the nature of the offence, as the case may be, and prepare a report to the managing director, the Executive Committee, the Audit Committee and the Board of Directors for consideration and further action as the case may be.
- The Company shall maintain confidential information and protect informants.
- The Board of Directors allows stakeholders to communicate with the Board of Directors and will protect the rights of whistleblowing stakeholders or concern issues on the accuracy of financial reports, defective internal control system or illegal and unethical conduct. The communication channels are provided through the Company's Audit Committee in order to review information and further report it to the Board of Directors.

8. Policy on Internal Control System and Financial Reporting

- The Management of the Company is responsible for preparing accurate, complete, and timely financial reports, including quarterly and annual financial statements, which are prepared in accordance with accepted accounting standards and audited by certified public accountants approved by the SEC.
- Providing effective internal control system to ensure that the Company complies with relevant standards and laws under the review of the Audit Committee

9. Policy on Responsibility for Shareholders

- The Board of Directors performs duties with integrity and full effort and gives rights and treatments to all shareholders equally.
- Reporting the Company's situations to shareholders regularly, completely, and timely based on the facts.
- Reporting the positive and negative future outlook of the organization to shareholders with sufficient supporting reasons.



10. Policy on Treatment of Customers and Product Quality
 - Producing quality products that meet the required standards.
 - Delivering quality products that meet the standards offered to customers under fair conditions.
 - Delivering products on time; if there are obstacles impeding the delivery of products as required, notify customers in advance immediately in order to jointly find solutions.
 - Providing accurate, adequate, and timely information about products and services to customers so that they have sufficient information to make decisions without any exaggeration either in advertising or communication in other channels with customers, which causes customers to misunderstand about the quality, quantity, or terms of any products and services
 - Keeping customer's confidential information and not using it for their own benefit or those who are unlawfully involved
 - Responding to customer needs quickly and providing effective systems and channels for customers to make a complaint about the quality of products and services
11. Policy on Treatment of Business Partners and/or Creditors
 - Treating business partners and creditors equally and fairly and on the basis of win-win situation
 - Strictly complying with contracts or conditions agreed; in the case of failure to comply with any of the conditions, notify business partners and/or creditors in advance immediately in order to jointly consider and find solutions
 - For business negotiations, it is not allowed to demand, acceptance, or offer any dishonest interests in the trade with business partners and/or creditors.
 - If there is information that any dishonest demand, acceptance, or offer has been made, the details should be disclosed to business partners and/or creditors and jointly solve the problems fairly and quickly.
 - Reporting accurate, complete, and timely financial information to creditors regularly
12. Policy and Treatment of Employees
 - Providing fair and appropriate returns to employees as well as sufficient welfares in accordance with actual circumstances.
 - Maintaining a safe work environment for the life and property of employees.
 - Appointment and transfer of employees, including rewards and penalties shall be performed in good faith based on employees' knowledge, capabilities, and appropriateness.
 - Focusing on improving employees' knowledge, capabilities, and skills by offering opportunities thoroughly and consistently.
 - Allowing employees to express their opinions and suggest matters that are beneficial to the Company.
 - Strictly complying with laws and requirements relating to employees.
13. Policy and Treatment of Commercial Competitors
 - Complying with the rules of good competition.
 - Not seeking for confidential information of commercial competitors with dishonest or inappropriate methods, such as paying wages to employees of competitors, etc.
 - Not damaging the reputation of commercial competitors by accusing them maliciously

14. Policy on Employee Conduct and Treatment of Other Employees

- Performing your duties with determination, integrity, and transparency.
- Refraining from offering gifts to supervisors or accepting gifts from subordinates.
- Respecting the rights of other employees, including the Management.
- Supervisors should behave to be respected by employees and employees should not act in a disrespectful manner to supervisors.
- Being disciplined and behaving in accordance with the rules of the organization and good traditions, whether it is stated in writing or not.
- Creating and maintaining an atmosphere of unity and solidarity among employees, avoiding any acts that may affect the Company's reputation and image or subsequently problems to the Company.

15. Policy on Social and Public Responsibility

The Company is committed to conducting business and engaging in environmental protection to build environmental trust for employees, the public, and communities surrounding the Company.

- The Company pays attention to and prevents environmental impacts, directly or indirectly, caused by all activities, the Company's products and services as well as mitigation and prevention of potential accident and disaster.
- The Company is committed to complying with the provisions of laws and other requirements relating to the organization and the nature of the environmental issues of the organization, including setting objectives and goals to be implemented and reviewed for achievement.
- The Company will promote and support the environmental management system to be able to perform any operations to achieve the intended results and also regularly improve the system to be better.
- Continuously improving operations and environment by studying any defects of operations from the beginning, accident and incident investigations, analysis of the exact causes, and corrective actions.
- Providing accurate information, creating understanding, and listening to problems and impacts that may occur to surrounding communities so that the Company can manage and correct them in a timely manner, which will be the foundation of the undisputed coexistence between the plant and the community for mutual benefits.

Monitoring of Compliance

1. The Company requires all directors and employees to have duties and responsibilities to acknowledge, understand, and strictly comply with the Code of Conduct.
2. Executives at all levels of the Company shall supervise employees under their chains of command to understand and comply with the Manual on Code of Conduct seriously. If a director or an employee violates the Code of Conduct, he/she will be subject to strict disciplinary action.
3. Methods of inquiry and reporting in the case of suspected unethical conduct or receipt of complaints through supervisors according to position hierarchy.

However, such reporting and complaints shall be made in writing.

Discipline

The Company's Code of Conduct is one of the disciplines, which all directors and employees shall behave and strictly comply with. Employees who violate or fail to comply with such Code of Conduct will be subject to disciplinary action in accordance with the Company's work regulations on discipline and disciplinary action.



Code of Conduct for Employee

Vanachai Group Public Company Limited

Introduction

This Code of Conduct states the basic principles regarding the performance of duties of all directors and employees of Vanachai Group (Public) Company Limited.

Under the intense business competition, to maintain the Company's leadership and success in its ongoing operations, the Company does not aim only for success, but also takes into account the methods to create such success. The Company will not use unlawful or unethical methods or acts to achieve its operations.

Therefore, the success of the Company's sustainable business operations depends on the conduct of all directors and employees who are responsible for complying with the Company's principles and regulations.

For the clarity, in this Code of Conduct, the term "we" refers to all directors and employees, and the term "Company" refers to Vanachai Group Public Company Limited and its business operations.

Intended Principles of Company

The Board of Directors approved this Code of Conduct to ensure that all directors and employees shall comply with it when performing all types of operations of the Company. There are 7 main principles as follows:

1. Integrity

We are committed to doing the right thing and performing duties with integrity and honesty under the laws and the Company's regulations by complying with this Code of Conduct in all activities and decisions of the Company. We will conduct business with integrity and take into account the risks affecting the organization.

2. Trust

We respect our colleagues, customers, business partners, shareholders, and government officials by treating such individuals in the same manner that we want them to treat us. We ensure that everyone acts with full effort and their best on the basis of mutual trust.

3. Confidentiality

We will adhere to confidentiality on business activities by treating information received as if it is our own information.

4. Professional Adherence

We will always perform our duties with skills, knowledge, and capabilities that are necessary for operations based on the professional principle.

5. Personnel

We will recruit skillful and experienced individuals that meet the needs of the Company and focus on promotion and rewards based on employees' performances. We have confidence and faith that everyone is the Company's valuable assets.

6. Leadership

We use leadership to drive the Company's operations to achieve its goals. We have a clear vision and focus on achieving the objectives and strategies of leadership as well as develop operational capabilities and competence for employees and remove obstacles that impede the employee's development.

7. Compliance with Rules and Regulations

We expect all employees to strictly adhere to decisions and business operations under the framework of applicable laws, requirements, and regulations, including behave themselves within a good moral framework.

Policies on Compliance with Code of Conduct and Good Conduct

The Company's policy is to conduct business in all respects legally with strict principles and social responsibility. The Company expects all employees to learn and comply with all of the Company's policies and laws relating to their duties and responsibilities and adhere to all suggestions specified in this Code of Conduct.

Human Resources

The Company adheres to the compliance with laws and regulations on employment, including important policies that offer employment opportunities to all individuals equally, from recruitment, hiring, employment, training and skill development, transfer, promotion, rewards and welfares.

Human resources policy and action plans are defined to help the Company achieve its business goals. Operators in the chain of command at all levels are responsible for implementing this policy. It aims to create a work environment with diverse opinions and respect for each other based on the will of all employees.

Environment, Health, and Safety

Any operations and decisions performed by the Company take into account the protection and environment with the responsibility to ensure that all products and business operations of the Company are correct and in accordance with any regulations or standards.

We all need to be alert about safety and environment and should be aware of the safety, health and environmental laws, including all policies set by the Company. This is because the law on safety, health and environment are regularly amended.

Conflicts of interest

An important rule of “conflicts of interest” is that employees should avoid any form of activities, investment, or benefit that may adversely affect the integrity or reputation of the Company or its employees.

We are all obliged to consider the interests rather than personal benefits and keep the Company's information confidential in any circumstances where conflicts of interest may arise.

Conflicts of interest may arise if any employees:-

1. Personally get rich due to access to confidential information.
2. Accept external employment, which is a job that adversely affects the performance of duties for the Company.
3. Receive gifts or rewards from others without the permission of the Company due to their services, which must be done in accordance with the duties of the Company's business or misuse of their positions to benefit themselves.
4. Buy or sell shares of the Company or its subsidiaries or affiliates by using important inside information that is not publicly published.
5. Disclose inside information that is not publicly published to other persons.

Proprietary Information of the Company

We all strictly comply with the Company's policy, rules, regulations, and guidelines on retention of the Company's information. We should not disclose or use the Company's proprietary information or information of other persons obtained by the Company under the confidentiality agreement, unless it is the case that information must be disclosed due to the necessity for the performance of duties in the position of employees of the Company or only when the written permission is granted by the Company. Do not use or retain the Company's information in a place that is visible to other persons who are not authorized to be aware of such information.

Data Collection of Competing Business, Production Data, and Technical Data

We all comply with guidelines on seeking information of competing businesses, production data and technical data. These guidelines establish appropriate conduct for employees who collect and use information and news relating to business competition on behalf of the Company. The Company shall not use any illegal means (such as theft, bribery) or any unethical means used to obtain information of business competitors.



Financial Integrity

All accounting proof records of the Company shall be prepared in a form of a report and presented to the Management of the Company, shareholders, creditors, and any government agencies. Therefore, all accounting proof records of the Company, including any reports prepared from this accounting proof shall be retained and presented in accordance with applicable laws. All details relating to the Company's assets, liabilities or obligations, and all revenues and expenses shall be presented accurately based on facts.

We have joint responsibility to ensure that there is no inaccurate or intentionally misrepresented data record in the Company's accounting system. All entries shall be supported by a valid documentation, which consists of sufficient details, and recorded in the correct account type in the actual accounting period. We shall adhere to the generally accepted accounting principles and comply with the internal control system established by the Company at all times.

Political Activities and Participation

The Company's basic policy stipulates that the Company will not use its capital or resources to provide political support to candidates for politics or political parties, unless such support is legally permitted and promotes democracy.

Regarding to the Company's policy, employees are not allowed to use the Company's facilities or resources for political campaigns or political fundraising or for the purposes of any particular political party.

The Company prohibits supervisors and employees at all levels to command or convince employees and subordinates by any means to participate in all types of political activities.

The decision of an employee to engage in politics by dedicating his/her personal time outside of working hours, wealth, and other personal assets to political campaigns or political activities shall be regarded as a personal decision of such employee.

Reporting of Violation of Code of Conduct for Employees

The Company will treat employees who violate this Code of Conduct seriously and may result in disciplinary action, which can be the termination of employment. As a result, employees need to report it to their superiors immediately in the event that there is any violation or suspected violation of this Code of Conduct for Employees.

The supervisor is responsible for monitoring the compliance with this Code of Conduct for Employees and reporting the results to the Audit Committee as well as keeping all records of information about acts violating or potential violating the Code of Conduct for Employees.

Suggestions

The compliance with this Code of Conduct cannot be explained in any behavioral manner in all situations, but the Company believes in the decisions of each employee when he/she carefully consider what is right and appropriate in each situation.

If an employee is unable to determine which action is appropriate, you can answer the following questions below. If the answer is "Yes", the employee can perform further action.

- Is your action lawful and in accordance with the Company's regulations and policies?
- Is this the "right action"? Is your action the "right thing to do"?
- Is this action consistent with what the public should approve?
- Will this action help build reliability for the Company as a Company adhering to Code of Conduct?

Company's Practices to Related Parties

To achieve long-term success in business operations, the Company has the following guideline on treatment of related parties:

- Employee The Company treats its employees fairly and equally and provides reasonable returns.
- Business Partner The Company purchases products and services from its business partners in accordance with the trading terms, including the performance of contract with business partners.
- Creditor The Company complies with the loan conditions.
- Customer The Company pays attention to and is responsible for customers, produces quality and standard products, maintains the confidentiality of customers and assigns sections or persons to receive customers' complaints in order to quickly take action for customers.
- Competitor The Company behaves in accordance with the rules on good competition, maintains the norm of best practices for competition, and avoids destroy competitors by dishonest means.
- Community The Company is responsible for the environment of community and society.

The Company will comply with the requirements of applicable laws and regulations to provide good care to all related parties and stakeholders.



Attachment 6

Audit Committee's Report

Audit Committee of Vanachai Group Public Company are composed of the 3 Independent Directors in accordance with the qualifications and rules stipulated by The Stock Exchange of Thailand are as follows:

- | | | |
|---------------------------|----------------|---------------------------------|
| 1. Mr. Nipon | Wisityuthasart | Chairman of the Audit Committee |
| 2. Mr. Kraithip | Krairiksh | Audit Committee |
| 3. Police General Wichean | Potephosree | Audit Committee |

Scope of authority and duties of the audit committee

1. To review accuracy and completeness of the company's financial statements.
2. To review the appropriateness and effectiveness of the company's internal control system and internal audit system.
3. To review that the company operates in line with the Securities and Exchange Act, the Regulations of the Stock Exchange of Thailand, or any other relevant laws.
4. To consider, select, purpose the company's independent auditors and their remuneration, attend the audit meeting without management participation at least 1 time a year.
5. To consider the related transactions which may cause a conflict of interest according to the law and securities exchange regulations to assure the reasonable and highest benefit to the company.
6. To made audit committee's performance report, presented in the company's annual report and has to be signed by the chairman of the audit committee.
7. To perform any additional duties assigned by the company's board of directors with the consent of the audit committee.


In the year 2021, the Audit Committee held 5 meetings, of which 4 were meetings to review the quarterly financial statements that were reviewed by the Certified Public Accountant and annual financial statements audited by a certified public accountant, to assure that the financial statements were accurate and revealed the actual company's financial status in compliance with the general accounting principles. The reveal of financial information must be accurate and adequate responding to the general accounting principles, then, submitted to the Board of directors for approval consideration and one more time is a meeting to consider and approve the purchase of assets of subsidiaries from related companies and agreed to propose to the Board of Directors for further consideration and approval. The details of the meeting attendance of the Audit Committee are as follows:

List name		Attendance / All meetings
1. Mr. Nipon	Wisityuthasart	4/5
2. Mr. Kraithip	Krairiksh	5/5
3. Police General Wichean	Potephosree	5/5

The audit committee considered the adequacy of the internal control system. And the opinion that the Company's internal control system is appropriate and adequate.

Audit committees have considered of the disclosure of any inter-related transactions or transactions with conflict of interests between the company, its subsidiaries, related companies and related persons to the confident that company follow regulations and rules stipulated by The Stock Exchange of Thailand, also exposure of adequate information useful to investors and is the opinion that the transaction occurred between the company, its subsidiaries, related companies, related persons has been according to market price or fair dealing, comparable to transaction occurred to the outsiders. Also, company has exposed information accurately and completely.

Audit committees have appointed Certified Public Accountant who are Mr. Ampol Chamnongwat Certified Public Accountant (Thailand) Registration No. 4663 or Mr. Naris Saowalagsakul Certified Public Accountant (Thailand) Registration No. 5369 or Ms. Gunyanun Punyaviwat Certified Public Accountant (Thailand) Registration No. 12733 from SAM NAK-NGAN A.M.C Co., Ltd. to be the auditors for the year 2022 as SAM NAK-NGAN A.M.C Co., Ltd. has to be the auditor for the Company and its subsidiaries for many continuous years which always able to give helpful advice to the company. Also the appointed auditors are independent and have no any benefits that may cause the conflict of interest to the Company, its subsidiaries, management, major shareholders or those related to such person. The audit committee has considered the audit expenditures for year 2022 total 885,000 Baht to submit board of approval and presented at shareholder annual general shareholder meeting of year 2022 for future approval.

Sign 
(Mr. Nipon Wisityuthasart)
Chairman of the Audit Committee



บริษัท วนชัย กรุ๊ป จำกัด (มหาชน)
Vanachai Group Public Company Limited

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