



*Forest  
Future Together*

ANNUAL REPORT 2023 /  
(FORM 56-1 ONE REPORT)

## Report of the Board of Directors

To Shareholders

In 2022, due to the improved situation of the coronavirus pandemic 2019 (COVID-19), economic activity recovery, and accelerated global demand for products and services, inflation in many countries had risen, including Thailand. Policy rate hikes in many countries to curb inflation, especially the United States, resulted in the Thai Baht volatility against the US dollar and the Thai Baht appreciation during the last quarter of 2022. In addition, the Russo-Ukrainian War since the first quarter of 2022 has affected the cost of various inputs, especially energy prices, and raised concerns about overall economic growth, which has increased competition in international markets.

Such impacts caused the sales revenue of the Company and its subsidiaries to decline in the second half of the year 2022 due to a decrease in the sales volume of core products. It continued affecting until the first half of the year 2023 when the Company and its subsidiaries reported a decrease in total revenue from sales of approximately 4% compared with the first half of the year 2022 due to a decrease in the selling price of core products and the Thai Baht appreciation, resulting in a loss of 171 million Baht. However, in the second half of the year 2023, the selling prices of core products increased. As a result, the Company and its subsidiaries increased total revenue from sales by approximately 23%, compared with the second half of the year 2022 and recorded a profit of 216 million Baht, an increase of approximately 321% compared with the second half of the year 2022 and a profit for the year of 45 million Baht, a decrease of approximately 94% compared with 2022.

The Israeli-Palestinian conflict has begun since the beginning of Q4 of 2023 in the Middle East region, which is the region of the Company's and its subsidiaries' international customers. It does not affect the Company's product sales to customers in the region, but it will have an impact on increasing shipping costs (freight) and insurance costs, which may have an impact on the selling price of goods. If the war expands or prolongs, the indirect impact through global oil prices and volatility in global financial markets will be higher.

In 2023, the Company has invested in two more solar power projects at Saraburi plant with a total capacity of 1.801 MWp. It will be available for power generation in 2024. Upon the completion of this project, the Company and its subsidiaries will have the total capacity of power generation from solar energy of 15.207 MWp.

Due to the aforementioned external factors and the Thai Baht volatility against the US dollar affecting the Company's operating results, the Company has closely monitored the situation to reduce the impact on the Company's operating results and arranged to maintain financial liquidity so that the Company has sufficient working capital to operate its business in accordance with the ongoing 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 2023

In 2023, the Company and its subsidiaries had total revenue from sales of 14,148.2 million Baht, compared with 13,137.6 million Baht in 2022, increased by 1,010.6 million Baht, representing 9%. The profit for the year was 44.9 million Baht, compared with 742.4 million Baht in 2022, decreased by 697.5 million Baht or 94%.

The decline in profits for the year was due to the control of inflation in many countries following the improved situation of the coronavirus 2019 pandemic (COVID-19) in 2022. Policy rate hikes in many countries to curb inflation, especially the United States, had resulted in the Thai Baht volatility against the US dollar and the Thai Baht appreciation from the last quarter of 2022 to Q1 in 2023. In addition, the continuous Russo-Ukrainian War has affected the increasing cost of various inputs, especially energy prices, and raised concerns about overall economic growth, which has increased competition in international markets. As a result, the Company and its subsidiaries reported a decrease in total revenue from international sales of approximately 4% in the first half of the year 2023, compared with the first half of the year 2022, due to a decrease in the selling price of the Company's core products and the Thai Baht appreciation. As such, there was a loss of 171 million Baht. However, in the second half of the year 2023, the selling prices of core products increased. As a result, the Company and its subsidiaries increased total revenue from sales by approximately 23%, compared with the second half of the year 2022 and recorded a profit of 215.7 million Baht, an increase of approximately 321% compared with the second half of the year 2022 and a profit for the year of 44.9 million Baht, a decrease of approximately 94% compared with 2022.

Regarding investment projects implemented in 2023, the Company has invested in two additional solar power generation projects with a total capacity of 1.801 MWp at Saraburi Plant, which will be able to generate electricity in 2024. When these projects are completed, the Company and its subsidiaries will have a total solar power generation capacity of 15.207 MWp.

Regarding the finance for the year 2023, the Company repaid long-term debt on due date in the amount of 1,394.1 million Baht. At the end of 2023, the Company and its subsidiaries had the total liabilities of 11,233.6 million Baht and shareholders' equity of 7,334.5 million Baht. The debt-to-equity ratio was 1.53:1. It was considered the stable financial position.



# 01



## Business Operation and Operating Results



## 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, 2023, 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 Board, Melamine Laminated on Particleboard, Doorskin, and Oriented Strand Board (OSB).

As at the end of the year 2023, the Company and its subsidiaries had 4 production factories including:

1. Chonburi Factory is located in Ban Bueng District, Chonburi Province, which produces MDF Board, Particleboard and Doorskin.
2. Saraburi Factory is located at Kaeng Khoi Industrial Estate, Saraburi Province, which produces MDF Board, Particleboard, Melamine Laminated on MDF Board, Melamine Laminated on Particleboard, 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 Board, Particleboard, Oriented Strand Board (OSB), Melamine Laminated on MDF Board, and Melamine Laminated on Particleboard. 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, Doorskin, 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 substitute board 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 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. from previously to be able to produce and distribute by around the 2<sup>nd</sup> quarter of 2020, to the 4<sup>th</sup> quarter of 2021; and the 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 launch to the 3<sup>rd</sup> quarter of 2021 as well.
- 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 tot operates 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.



- Year 2022
- The Company paid for 6,000,000 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 60,000,000 Baht.
  - The Solar Roof Installation Investment Project at Particle Manufacturing Plant, operated by Vanachai Group Public Company Limited at Saraburi Plant with the investment budget of 125 million Baht can start the operation in the 3<sup>rd</sup> quarter of the year 2022.
  - The plywood plant construction project with the production capacity of 60,000 cubic meters per year, operated by Vanachai Panel Industries Co., Ltd. (subsidiary) at Surat Thani Plant with the investment budget of 200 million Baht, expected to produce and distribute by the 2<sup>nd</sup> quarter of the year 2023.
- Year 2023
- The Company paid for 10,000,000 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 100,000,000 Baht
  - The Solar Roof installation in warehouse buildings project was carried out by Vanachai Group Public Company Limited, Chonburi Plant, with an investment budget of 25 million Baht. It can generate power in Q1 of 2023.
  - The Solar Roof installation in warehouse buildings and laminate flooring project was carried out by Vanachai Group Public Company Limited, Saraburi Plant, with an investment budget of 26 million Baht. It is expected to generate power in Q2 of 2024.
  - The Solar Roof installation in impregnated paper factory project was operated by Vanachai Group Public Company Limited, Saraburi Plant, with an investment budget of 37 million Baht. It is expected to generate power in Q2 of 2024.

#### 1.1.3 Obligations of the Company in Annual Registration Statement

- None -

#### 1.1.4 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	: <a href="http://www.vanachai.com">www.vanachai.com</a>
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 Sa, Suratthani 115 Moo 3, Thungluang, Wieng Sa, 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 Prakornsongkroaraj Road, Mabtapud, Muang, Rayong 10/1 Soi G-14 Prakornsongkroaraj 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	: 360,000,000 Baht
Paid-up capital	: 360,000,000 Baht
Types and Value of share	: Ordinary shares at a par value of 10.00 baht per share
Branch Office	: Search from <a href="http://www.woodsmith.co.th">www.woodsmith.co.th</a>



#### 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.
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	:	22/1 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.
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
Branch - Saraburi	:	112 Kangkoi Industrial Estate, Moo 1, TambonBan - That, Kangkoi, Saraburi
Tel.	:	0 3624 5644



## 1.2 Types of Business

### 1.2.1 Revenues structure

#### Revenue structure by product

(Unit : Thousand Baht)

Product	Operate by	% of Share Holding	2021		2022		2023	
			Revenue	%	Revenue	%	Revenue	%
MDF Board	Vanachai Group Plc.							
	Vanachai Panel Industries Co., Ltd.	99.99	8,432,183.26	65	8,324,654.31	63	9,346,410.90	66
Particleboard	Vanachai Group Plc.							
	Particle Planner Co., Ltd.	99.99	2,523,503.72	19	2,484,607.41	19	2,417,210.95	17
	Vanachai Panel Industries Co., Ltd.	99.99						
OSB	Vanachai Panel Industries Co., Ltd.	99.99	217,044.32	2	414,600.41	3	323,011.01	2
Laminated Flooring	Vanachai Group Plc.		536,761.32	4	522,585.86	4	544,664.28	4
Wood surface	Vanachai Group Plc.							
	Vanachai Panel Industries Co., Ltd.	99.99	851,497.51	7	1,060,143.58	8	1,106,529.24	8
	PV Wood Co., Ltd.	50.00						
Doorskin	Vanachai Group Plc.		320,678.76	2	274,838.58	2	220,814.37	2
Other products	Company in group	99.99	106,058.03	1	56,194.95	1	189,544.34	1
Total sales			12,987,726.92	100	13,137,625.10	100	14,148,185.09	100

#### Domestic and international revenue structure

(Unit : Thousand Baht)

Type	2021		2022		2023	
	Value	Percentage per Total Revenue	Value	Percentage per Total Revenue	Value	Percentage per Total Revenue
Income - Domestic	2,302,078.98	17.72	2,254,979.10	17.16	2,279,678.75	16.11
Income - International						
- From CLMV countries	1,513,036.00	11.65	1,621,226.48	12.34	1,750,735.63	12.38
- From other countries	9,172,611.94	70.63	9,261,419.52	70.50	10,117,770.72	71.51
Total revenue	12,987,726.92	100.00	13,137,625.10	100.00	14,148,185.10	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 Board 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 Board 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 6 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.

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 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 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 Board and Particleboards 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.

1.5) Receiving the investment promotion certificate No. 65-1508-1-04-1-0 dated December 1, 2022, 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 December 2, 2022. Privileges under Investment Promotion Certificate No. 65-1508-1-04-1-0 shall expire on December 1, 2025.

## 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. 60-0881-1-00-1-0 dated June 27, 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.

3.2) 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 0.30% 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 the United Arab Emirates, Saudi Arabia, Vietnam, Egypt, Israel, Turkey, South Korea and Algeria.

The secondary market includes India, Taiwan, Jordan, Kuwait, Lebanon, Qatar, Oman, Bahrain and South Africa.

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.

Provided the intense distribution competition for goods in both markets nowadays due to fluctuating and uncertain economic situations, the Company will reach out and visit all groups of customers with the Company's representatives and agents who are taking care of customers on a regular basis. The Company gives importance to all groups of customers, users, and importers for industries manufacturing furniture, constructions and decorations.

##### Particleboard

The primary market includes South Korea, Vietnam, India, Taiwan, Malaysia, Israel and Singapore. 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 England, Lebanon, China and Philippines. 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 5 : 95 and 31 : 69 respectively.



## 2. Industrial Conditions and Competition

The economic situation in 2023 had been affected continuously since 2022 when many countries, especially the United States, controlled higher inflation by accelerating the policy rate hike. This caused the exchange rate to be volatile and affected the selling price of products, especially international sales. The effects of the prolonged Russo-Ukrainian War have caused various inputs to increase in costs, especially the price of energy and concern about overall economic growth.

Such external factors have an impact on the demand for products in the industry to be volatile and uncertain. The market is becoming increasingly competitive. As a result, the selling price of the Company's and its subsidiaries' core products decreased. Setting selling prices denominated in U.S. dollars under volatile exchange rates makes revenue from sales uncertain.

In addition, the Israeli-Palestinian conflict has begun since the beginning of Q4 of 2023 in the Middle East region, which is the region of the Company's and its subsidiaries' international customers. It does not affect the Company's product sales to customers in the region, but it will have an impact on increasing shipping costs (freight) and insurance costs, which may have an impact on the selling price of goods. If the war expands or prolongs, the indirect impact through global oil prices and volatility in global financial markets will be higher.

Overview of the first half of the year in 2023 of the Company and its subsidiaries reported a decrease in revenue from sales of approximately 4% compared with the same period in 2022. This was because the sales volume of MDF Board products increased by approximately 19%, and Particleboards decreased by approximately 8%, compared with the same period in 2022. However, the average selling price decreased by approximately 15% and 20%, respectively, compared with the same period in 2022, due to the Thai Baht appreciation and the intense market competition. The loss for the six-month period of 2023 amounted to 171 million Baht.

However, in the second half of 2023, the Company and its subsidiaries increased revenue from sales by approximately 23%, compared with the same period in 2022, because the sales volume of MDF Board and Particleboard products increased by 40% and 66%, respectively, compared with the same period in 2022. As a result, the profit for the year 2023 amounted to 45 million Baht, a decrease of approximately 94%, compared with the year 2022.

However, the demand for the Company's core products, namely MDF Board and Particleboard, continues to increase in line with the growth of the domestic construction and real estate industry sector of the Company's customers. This will result in less intense competition in the market. As a result, the total revenue from sales of the Company and its subsidiaries is likely to increase. If the economic situation recovers, the growing construction industry sector will have opportunities to grow further.

### Competitors

In 2023, 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 4,620,000 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 29.87% 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 <sup>3</sup> )*	4,620,000	4,140,000
Annual capacity of the Company and its subsidiaries per year (m <sup>3</sup> )	1,380,000	840,000
Capacity of the Company and its subsidiaries / Total capacity of manufacturer in the industry (percentage)	29.87	20.29
Capacity utilization rate of the Company and its subsidiaries (percentage)	100.00	81.62

\* 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.	210,000	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	4,620,000	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 MDF Board Wood surface OSB	450,000 Cubic Metres 1,020,000 Cubic Metres 198,000 Cubic Metres 210,000 Cubic Metres
Vanachai Chemical Industries	10 Soi G-14 Pakomsongkrohraj 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.



### 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 2023 accounted for approximately 73:27.



(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.

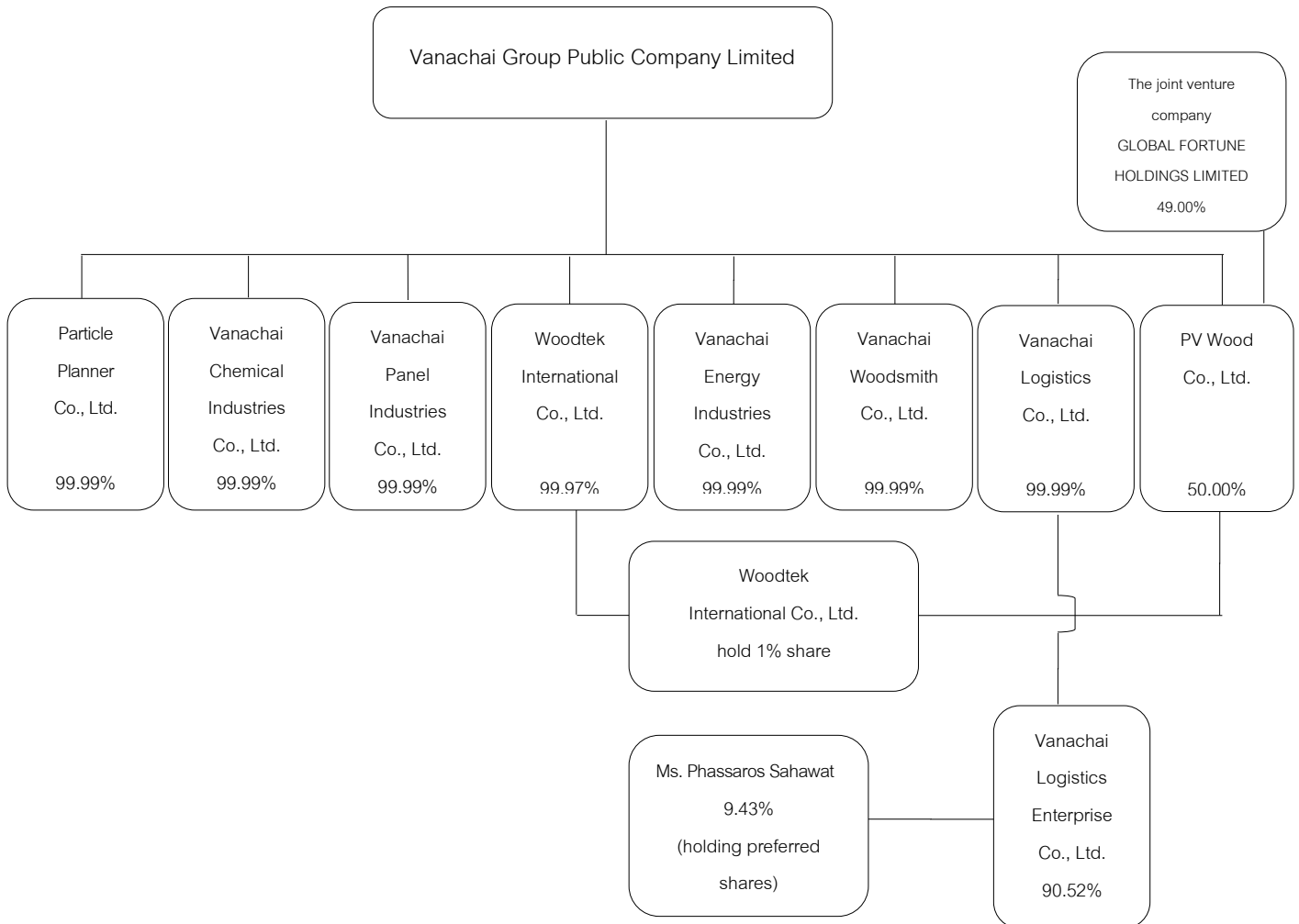
(5) Undelivered work

- 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	50.00
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 12.6	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	360	36,000,000	35,999,997	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.	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.	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 Laminated 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 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.



### 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 18, 2024.

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 Jaroennawat Family		
	3.1 Mr.Vasun Jaroenawat	35,999,999	2.075
	3.2 Mr.Wanthana Jaroennawat	35,999,999	2.075
*4.	Ms.Yupaporn Boongate	36,000,000	2.075
*5.	Mrs.Siriporn Chaipattavanich	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. Anucha Kitthanamongkolchai	20,410,000	1.176
9.	Mr. Wanchak Kitthanamongkolchai	13,451,000	0.775
10.	Other Shareholders	256,425,767	14.775
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 Jaroenawat	510,000	10
3.	Mr.Wanthana Jaroennawat	510,000	10
4.	Mrs.Siriporn Chaipattavanich	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

Year	2020	2021	2022	2023
Net Earnings Per Share - Consolidated Financial Statements	(0.36)	0.75	0.41	0.02
Net Earnings Per Share - Separate Financial Statements	0.07	0.43	0.36	0.25
Dividend per share rate - Dividend (Baht/share)	-	0.40	0.20	0.02
Dividend to net profit rate (%) From profit for the year - Consolidated financial statements - Shareholders' Equity of the Company	-	53.65	48.42	130.18

## 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 from 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, 2023, the Company and its subsidiaries have short-term loans and long-term loans from financial institutions lease liabilities for an amount of 8,972.78 million baht, representing 79.87% 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 22.43 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 18, 2024, the family of Sahawat, 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 2023, the Company had performed operation according to the plan to reduce the cost of energy expenses and the plan to improve production systems and increase production efficiency, which can prevent risks and impacts from fluctuations in raw material prices and energy prices.

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



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



### 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](mailto: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 have efficient energy management in terms of electrical and thermal energy. The ability to use renewable energy has been enhanced with the installation of solar rooftop power generation systems, totaling 13.4 MWp. There are 2 more projects under installation, totaling 1.8 MWp, which will be completed and operated the power generation by 2024. There is 1 project planned to be installed with a capacity of 4.5 MWp. The total power generation capacity of the solar power generation system of the Company and its subsidiaries upon the completion of all projects is 19.7 MWp. Heat generated from some parts of the production process can be reused in other necessary production processes. which can save energy.



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



Quantity of electricity use of the Company (Unit : Kilowatts - Hour)

	2021	2022	2023
Quantity of electricity use	134,503,907.82	126,825,522.73	131,724,975.06

Expenses on electricity use of the Company (Unit : Baht)

	2021	2022	2023
Expenses on electricity use	404,361,106.44	448,608,703.19	533,902,464.70

Quantity of petroleum and fuel use of the Company (Unit : Liter)

	2021	2022	2023
Diesel fuel	1,329,747.00	1,264,650.94	1,474,663.00
Gasoline	3,721	4,201	3,841.00

Expenses on petroleum and fuel use of the Company (Unit : Baht)

	2021	2022	2023
Expenses on petroleum and fuel use	29,772,518.69	37,390,851.83	42,460,455.45

## 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.

Quantity of water supply use of the Company (Unit : Cubic meter)

	2021	2022	2023
Quantity of water supply use	136,483	127,669	153,438

Expenses on water supply use of the Company (Unit : Baht)

	2021	2022	2023
Expenses on water supply use	1,637,796	1,532,028	1,841,256

## 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 2023, 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.

Quantity of garbage and waste of the Company (Unit : Kilogram)

	2021	2022	2023
Total quantity of garbage and non-hazardous waste	56,160	45,046	-
Total quantity of garbage and hazardous waste	15,850	20,600	26,490

#### 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 2023, 5 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 <sub>2</sub> annually
2. Chonburi factory	2.552 MWp	1,587.5 tCO <sub>2</sub> annually
3. Surat Thani factory (Phase 1)	3.242 MWp	2,016.8 tCO <sub>2</sub> annually
4. Saraburi factory (Phase 2)	3.328 MWp	2,070.4 tCO <sub>2</sub> annually
5. Chonburi factory (Phase 2)	0.739 MWp	459.8 tCO <sub>2</sub> annually
Total in operation	13.399 MWp	8,335.4 tCO <sub>2</sub> 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 3)	1.801 MWp	1,120.4 tCO <sub>2</sub> annually	2024
2. Surat Thani factory (Phase 2)	4.472 MWp	2,781.7 tCO <sub>2</sub> annually	2025
Total In progress	6.273 MWp	3,902.1 tCO <sub>2</sub> 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 13.4 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 runs the business by adhering to social responsibility and all related parties for the benefits and coexistence. It is committed to carry out social activities, give back to the society and increase quality of life of the community, and run a sustainable business while creating balances with respect to economic, social and environmental aspects.

#### 4. Management Discussion and Analysis: MD&A

##### 4.1 Analysis of operations and financial position

Regarding the operating results in 2023, the Company and its subsidiaries had a total revenue from sales of 14,148.2 million Baht, increased by 1,010.6 million Baht from 2022, or representing approximately 8%. The sales volume of the Company's core products, which is MDF Board and Particleboard, compared with the year 2022, increased by approximately 28% and 18%, respectively. The average selling prices decreased by approximately 13% and 17%, respectively. Profit for the year 2023 was 44.9 million Baht, decreased by 94%, compared with the year 2022. This was mainly due to the continued impact from 2022 when many countries, especially the United States, rushed to raise policy rates to curb rising inflation. As a result, the exchange rate fluctuated and appreciated during the last quarter of 2022 to the first quarter of 2023, affecting the selling price of products, especially international sales, and the impact of the prolonged Russo-Ukrainian War. As a result, the cost of various inputs, especially energy prices, increased, including concerns about overall economic growth causing increasing competition in international markets.

Such impacts caused the revenue from sales of the Company and its subsidiaries to decrease since the second half of the year 2022 due to a decrease in sales volume of core products. It continued affecting the first half of the year 2023 when the Company and its subsidiaries had a total revenue from sales of 7,246.6 million Baht, decreased by 4% compared with the first half of the year 2022 due to lower selling prices of core products. The Thai Baht appreciation caused a loss on operating results of 171 million Baht. However, in the second half of 2023, the selling price of core products increased. Therefore, in the second half of 2023, the Company and its subsidiaries had a total revenue from sales of 6,901.6 million baht, increased by approximately 23% compared with the second half of the year 2022. The profit amounted to 215.7 million Baht, increased by 321% compared with the second half of the year 2022 and the profit for the year was 44.9 million Baht, decreased by approximately 94% compared with the year 2022.

##### Analysis of Profit of the Company and its Subsidiaries

In 2023, the Company and its subsidiaries had the profit for the year equaling to 44.9 million Baht. If comparing with the year 2022 which had the profit of 742.4 million Baht, the profit declined by the amount of 697.5 million Baht, or equivalent to 94 percent, with the following important reasons:

1. Total sales revenue increased by 1,010.6 million Baht, accounting for 8% from the year 2022, because the sales volume of MDF Board and Particleboards increased by 28% and 18%, respectively. Meanwhile, the average selling price of MDF Board and Particleboard decreased by 13% and 17%, respectively. The revenue from sales can be divided into domestic sales and foreign sales as follows:

	Unit	2022	2023
Revenue from sales - domestic			
• Sales to general customers	Million Baht	2,079.22	2,159.99
• Sales to related companies	Million Baht	175.76	119.69
Total Revenue from sales - domestic	Million Baht	2,254.98	2,279.68
Revenue from sales - international	Million Baht	10,882.65	11,868.51
Total Revenue from sales	Million Baht	13,137.63	14,148.19
Proportion between domestic sales and export sales		17:83	16:84

2. Cost of goods sold amounted to 11,822.3 million Baht, increased by 1,268.5 million Baht, due to increasing sales volume.



Regarding the return on equity, the company paid dividends for the operating results of the year 2021, 2022 and 2023 as detailed below;

Year performance		2021	2022	2023
Profit for the Year - shareholders of the Company	Million Baht	1,293.78	716.69	26.66
Dividend paid	Baht / share	0.40	0.20	0.02
Total Dividend paid	Million Baht	694.09	347.05	34.70
Dividend payout ratio *	Percent	53.65	48.42	130.18

\* 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 23, 2024, the Board of Directors' Meeting passed the resolution to propose the 2024 Annual General Meeting of Shareholders to approve the dividend payment for operating results in 2023 at the rate of 0.02 Baht per share, totaling 34.70 million Baht, representing 130.182% of the profit for the year (profit of shareholders' equity of the Company) of the consolidated financial statements for the year 2023. Payment is due on May 17, 2024.

#### 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.

Major Components of Assets	2022	2023
Trade receivable and other receivable	6.03%	5.28%
Inventories	16.15%	15.63%
Property, Plant and Equipment	62.91%	64.79%

As at December 31, 2023, the total asset of the Company and its subsidiaries was 18,568.1 million Baht decreased by 1,559.8 million Baht compared with the total asset of 20,127.9 million Baht in 2022. The details of significant increase or decrease of assets were as follows:

1. Cash and cash equivalents decreased by 720.5 million Baht.
2. Trade and other receivables decreased by 232.1 million Baht.
3. Other current financial assets increased by 221.0 million Baht.
4. Revenue Department receivable decreased by 7.6 million Baht.
5. Inventories decreased by 348.1 million Baht, due to the decrease of finished goods of 349.6 million Baht, work in process of 73.4 million Baht and the increase of raw material of 64.5 million Baht, supplies of 6.4 million Baht, goods in transit of 4.0 million Baht.
6. Spare parts for maintenance increased by 49.6 million Baht.
7. Property, plant, and equipment decreased by 630.7 million Baht.
8. Right-of- use asset increased by 79.3 million Baht.
9. Intangible assets increased by 19.7 million Baht.
10. Deferred tax assets increased by 2.1 million Baht.



### Total Liabilities

As at December 31, 2023, the total liabilities of the Company and its subsidiaries were 11,233.6 million Baht, decreased by 1,425.3 million Baht compared with that of 12,658.9 million Baht in the year 2022. The details of significant increase or decrease of liabilities were as follows:

1. Short-term loans from financial institutions decreased by 384.2 million Baht.
2. Trade and other payable decreased by 147.1 million Baht.
3. Advances received from customers decreased by 148.2 million Baht.
4. Corporate tax payable increased by 0.3 million Baht.
5. Long-term loans from financial institutions decreased by 816.9 million Baht.
6. Lease liabilities increased by 59.6 million Baht.
7. Employee benefit obligations increased by 31.4 million Baht.
8. Deferred tax liabilities decreased by 16.0 million Baht.

### Shareholders' Equity

As at December 31, 2023, the total shareholders' equity of the Company and its subsidiaries were 7,334.5 million Baht, decreased by 134.5 million Baht, compared with that of 7,469.0 million Baht in 2022, due to lower net profit and dividend payment during the year 2022 and 2023.

As at December 31, 2023, the debt to equity ratio was 1.53:1 decreased by 0.16 times compared with that of 1.69:1 in the year 2022. The main reason was a decrease in short-term loans from financial institutions, the scheduled repayment of principal of long-term loans from financial institutions, the decrease in trade payables and other payables, and the decrease in prepaid income.

### Liquidity

#### Cash Flow

For the period ended December 31, 2023, the Company and its subsidiaries had cash flow from operating activities of 1,600.0 million Baht, cash flow used in investing activities of 470.5 million Baht and cash flow used in financing activities of 1,849.9 million Baht. Net cash flow used was 720.5 million Baht, which was 594.3 million Baht higher than the same period in 2022. It can be summarized as follows:

1. Net cash received from operating activities was 1,600.0 million Baht, decreased by 266.0 million Baht, due to the decrease of operating profits before changes in operating assets and liabilities of 632.1 million Baht, the decrease of operating assets 791.7 million baht, the decrease of operating liabilities of 411.3 million Baht, the increase of cash received from interest income of 4.0 million Baht and the increase of cash paid for income tax of 17.6 million Baht.
2. Net cash used in investing activities was 470.5 million Baht, decreased by 283.9 million Baht, due to the decreasing investment of the investment project.
3. Net cash used in financing activities was 1,849.9 million Baht, decreased by 612.1 million Baht, due to the decrease of short-term loans from financial institutions of 1,002.4 million Baht, the decrease of long-term loans from financial institutions of 33.0 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 91.5 million Baht and the decrease of cash paid for dividend of 520.6 million Baht.



#### Liquidity Ratio

	2022 time	2023 time	Increase (Decrease)
Liquidity ratio	1.03	1.04	0.01
Quick Liquidity ratio	0.37	0.27	(0.10)
Cash Flow Liquidity ratio	0.31	0.26	(0.05)

- The liquidity ratio increased because the current asset decreased by 1,038.20 million Baht and the current liabilities decreased by 1,051.02 million Baht.
- The quick ratio decreased due to the decrease of cash and cash equivalents of 720.48 million Baht, the decrease of trade receivables of 232.61 million Baht and the decrease of current liabilities of 1,051.02 million Baht.
- The cash flow liquidity ratio decreased due to the decrease of the cash flow from operating activities of 266.03 million Baht and the decrease of the average current liabilities. The Company had sufficient liquidity for operations and due liabilities repayment.

#### Profitability Ratio and Efficiency ratio

	2022 %	2023 %	Increase (Decrease)
Gross margin rate	19.67	16.44	(3.23%)
Operating profit rate	8.88	3.79	(5.09%)
Net profit rate	5.40	0.19	(5.21%)
Return on equity rate	9.72	0.36	(9.36%)
Return on assets rate	3.50	0.14	(3.36%)

- The profit of the Company and its subsidiaries for the year 2023 decreased by 697.5 million Baht from the year 2022 (Section: Analysis on Profit of Company and its Subsidiaries), resulting in the decrease of the profitability ratio and the efficiency ratio.

#### Financial Policy Analysis Ratio

	2022 time	2023 time	Increase (Decrease)
Debt to equity ratio	1.69	1.53	(0.16)
Ability to pay of interest ratio	7.02	4.01	(3.01)
Ability to pay of obligations ratio	0.50	0.44	(0.06)

- The debt to equity ratio decreased due to a decrease in short-term loans from financial institutions, the scheduled repayment of the principal of long-term loans from financial institutions, the decrease in trade payables and other payables, and the decrease in prepaid income.
- Interest coverage ratio decreased due to the decrease of profit from operating activities of 629.8 million Baht, the increase of interest expenses of 92.8 million Baht.
- Debt service coverage ratio decreased due to the decrease of profit from operating activities of 629.8 million Baht, the decrease of short-term liabilities of 755.9 million Baht.

#### Capital Expenditure in 2023

The Solar Roof installation at Saraburi Plant (Phase 3), implemented by Vanachai Group Public Company Limited, the investment budget of 63 million Baht. It can operate in the 2<sup>nd</sup> quarter of the year 2024.

#### Sources of fund

Loan from Domestic Financial Institution.

### Long-term liabilities

As of December 2023, company and its 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, 2023	Paid in Full
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 17 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.

2. 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, 2023	1,265.0 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 equipment of the project owned by the Company.
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 17 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 Panel Industries Co., Ltd. - Borrower)

Amount	2,000.0 Million Baht
Outstanding Balance as of December 31, 2023	1,585.0 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 17 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 Plc. to maintain shareholding ratio of not less than 99.99 percent of paid-up capital during the validity of loan agreement.



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

Amount	750.0 Million Baht
Outstanding Balance as of December 31, 2023	Paid in Full
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 17 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.

5. 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, 2023	831.0 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 17 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.

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

Amount	500.0 Million Baht
Outstanding Balance as of December 31, 2023	411.0 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 17 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

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

Amount 95.0 Million Baht

Outstanding Balance as of December 31, 2023 Paid in Full

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 17 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

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

Amount 600.0 Million Baht

Outstanding Balance as of December 31, 2023 360.0 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 17 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

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

Amount 316.0 Million Baht

Outstanding Balance as of December 31, 2023 283.0 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 17 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

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

Amount	145.0 Million Baht
Outstanding Balance as of December 31, 2023	101.5 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 17 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

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

Amount	70.00 Million Baht
Outstanding Balance as of December 31, 2023	17.35 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	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 17 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

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

Amount	90.0 Million Baht
Outstanding Balance as of December 31, 2023	49.5 Million Baht
Financial Institution	Bangkok Bank Public Company Limited



Collateral	<ol style="list-style-type: none"> <li>1. Land Nor.Sor.3Kor. No. 357, Khao Niphan Sub-district, Wiangsra District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral</li> <li>2. Title Deed No. 13293, 13294, 13295, 13296, 13297, 13334, Khao Niphan Sub-district, Wiangsra District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral.</li> <li>3. Registration of the business collateral agreement, including machineries, with the ownership of Vanachai Panel Industries Company Limited as the guarantee</li> </ol>
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 17 to the financial statements under Section 3 Financial Statements
Other credit term conditions	<ol style="list-style-type: none"> <li>1. Maintain Debt to Equity Ratio not more than 2.5 times</li> <li>2. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times</li> </ol>
<b>13. <u>Long-term loans from domestic financial institutions</u> (Vanachai Group Plc. - Borrower)</b>	
Amount	100.0 Million Baht
Outstanding Balance as of December 31, 2023	75.0 Million Baht
Financial Institution	Export-Import Bank of Thailand
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 17 to the financial statements under Section 3 Financial Statements
<b>14. <u>Long-term loan from domestic financial institution</u> (Vanachai Panel Industries Co., Ltd. - Borrower)</b>	
Amount	50.0 Million Baht
Outstanding Balance as of December 31, 2023	37.5 Million Baht
Financial Institution	Export-Import Bank of Thailand
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 17 to the financial statements under Section 3 Financial Statements
<b>15. <u>Long-term loans from domestic financial institutions</u> (Vanachai Group Plc. - Borrower)</b>	
Amount	125.0 Million Baht
Outstanding Balance as of December 31, 2023	100.0 Million Baht
Financial Institution	Kasikornbank Public Company Limited
Collateral	<ol style="list-style-type: none"> <li>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.</li> <li>2. Registration of the Solar Panel Business Collateral Act, including machinery.</li> </ol>
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 17 to the financial statements under Section 3 Financial Statements
Other credit term conditions	<ol style="list-style-type: none"> <li>1. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times</li> <li>2. Maintain Debt to Equity Ratio (DE ratio) not more than 2.5 times</li> </ol>



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

Amount	91.00 Million Baht
Outstanding Balance as of December 31, 2023	77.35 Million Baht
Financial Institution	Bangkok Bank Public Company Limited
Collateral	<ol style="list-style-type: none"> <li>Title Deed No. 13293, 13294, 13295, 13296, 13297, 13334, Khao Niphan Sub-district, Wiangsra District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral.</li> <li>Land Nor.Sor.3Kor. No. 547, 548, 549, 4475, 4516, Khao Niphan Sub-district, Thung Luang, Wiangsra District, Surat Thani Province, and buildings with the ownership of Vanachai Panel Industries Company Limited, are mortgaged for appraised value as collateral.</li> <li>Machinery ownership of Vanachai Panel Industries Company Limited is registered the business collateral agreement as collateral.</li> </ol>
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 17 to the financial statements under Section 3 Financial Statements
Other credit term conditions	<ol style="list-style-type: none"> <li>Maintain Debt to Equity Ratio not more than 2.5 times</li> <li>Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times</li> </ol>

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

Amount	500.00 Million Baht
Outstanding Balance as of December 31, 2023	466.14 Million Baht
Financial Institution	Kasikornbank Public Company Limited
Collateral	<ol style="list-style-type: none"> <li>Registration of mortgage No. 5 Land with building, Title Deed No. 55869, Ban That Sub-district, Kaeng Khoi District, Saraburi Province.</li> <li>Registration of appraised value of mortgage No. 2 land with building, Title Deed No. 12653, Nong Irun Sub-district, Ban Bueng District (Phanat Nikhom), Chonburi Province.</li> <li>Registration of the Business Collateral Agreement for impregnated Paper Manufacturing Machinery and Equipment, Machinery and Utility System.</li> </ol>
Payment of Interest	On the last working day of the month
Payment of Principal	See Note 17 to the financial statements under Section 3 Financial Statements
Other credit term conditions	<ol style="list-style-type: none"> <li>Maintain Debt to Equity Ratio (DE ratio) not more than 2.5 times</li> <li>Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times</li> </ol>



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

Amount	95.0 Million
Outstanding Balance as of December 31, 2023	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, Wiangsra 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 17 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

- Long-term loans of the Company Group. A floating rate as of December 31, 2022 is between 3.00%-6.17%

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 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 pararubber 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, 2022, 2023

(Unit : Baht)

	2021		2022		2023	
	Baht	%	Baht	%	Baht	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalent items	1,481,774,107.98	7%	1,355,551,973.54	7%	635,069,310.94	3%
Trade and other receivable	1,367,570,925.50	7%	1,213,296,016.47	6%	980,684,849.17	5%
Other current financial assets	-	-	-	-	221,000,000.00	1%
Revenue Department receivable	218,301,285.50	1%	324,439,634.98	2%	316,859,450.70	2%
Inventories	2,742,696,581.35	14%	3,249,732,637.19	16%	2,901,614,545.47	16%
Maintenance supplies	636,792,524.84	3%	731,163,857.16	4%	780,751,151.83	4%
<b>Total current assets</b>	<b>6,447,135,425.17</b>	<b>32%</b>	<b>6,874,184,119.34</b>	<b>34%</b>	<b>5,835,979,308.11</b>	<b>31%</b>
<b>Non-current assets</b>						
Property, plant and equipment	12,996,331,234.58	65%	12,661,566,708.20	63%	12,030,868,850.64	65%
Right-of-use assets	513,027,594.26	3%	495,061,518.34	2%	574,339,895.13	3%
Intangible assets	13,659,224.08	0%	32,138,029.24	0%	51,887,450.56	0%
Deferred tax assets	57,241,586.74	0%	57,248,838.55	0%	59,352,407.39	0%
Other non-current assets	14,104,339.37	0%	7,746,584.23	0%	15,677,938.58	0%
<b>Total non-current assets</b>	<b>13,594,363,979.03</b>	<b>68%</b>	<b>13,253,761,678.56</b>	<b>66%</b>	<b>12,732,126,542.30</b>	<b>69%</b>
<b>Total assets</b>	<b>20,041,499,404.20</b>	<b>100%</b>	<b>20,127,945,797.90</b>	<b>100%</b>	<b>18,568,105,850.41</b>	<b>100%</b>

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
As at 31 December 2021, 2022, 2023

(Unit : Baht)

	2021		2022		2023	
	Baht	%	Baht	%	Baht	%
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	2,508,330,105.06	13%	3,126,546,053.32	16%	2,742,333,725.07	15%
Trade and other payable	1,565,417,243.37	8%	1,245,805,183.04	6%	1,098,689,491.04	6%
Advances received from customers	296,790,650.05	1%	788,592,943.45	4%	640,353,725.94	3%
<b>Current portion of long-term liabilities</b>						
Long-term loans from financial institutions	1,053,900,000.00	5%	1,415,400,003.96	7%	1,026,050,003.96	6%
Lease liabilities	42,701,257.33	0%	40,759,781.38	0%	58,388,008.71	0%
Income tax payables	26,246,222.09	0%	56,683,825.14	0%	56,952,764.70	0%
<b>Total current liabilities</b>	<b>5,493,385,477.90</b>	<b>27%</b>	<b>6,673,787,790.29</b>	<b>33%</b>	<b>5,622,767,719.42</b>	<b>30%</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions	6,206,250,000.00	31%	5,060,849,996.04	25%	4,633,289,993.07	25%
Lease liabilities	482,557,707.14	2%	470,747,076.95	2%	512,718,180.88	3%
Employee benefit obligations	424,717,435.37	2%	426,929,482.06	2%	458,327,554.15	2%
Deferred tax liabilities	18,720,576.40	0%	18,815,600.01	0%	2,828,985.08	0%
Other non-current liabilities	5,238,063.11	0%	7,766,208.67	0%	3,658,321.34	0%
<b>Total non-current liabilities</b>	<b>7,137,483,782.02</b>	<b>36%</b>	<b>5,985,108,363.73</b>	<b>30%</b>	<b>5,610,823,034.52</b>	<b>30%</b>
<b>Total liabilities</b>	<b>12,630,869,259.92</b>	<b>63%</b>	<b>12,658,896,154.02</b>	<b>63%</b>	<b>11,233,590,753.94</b>	<b>60%</b>



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
As at 31 December 2021, 2022, 2023

(Unit : Baht)

	2021		2022		2023	
	Baht	%	Baht	%	Baht	%
<b>Shareholders' equity</b>						
Share capital						
Authorized 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	
Issued and paid-up share capital						
1,735,237,480 ordinary shares @ Baht 1.00	1,735,237,480.00	9%	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	7%	1,482,634,161.00	8%
Retained earnings						
Appropriated-Legal reserve	173,523,748.00	1%	173,523,748.00	1%	173,523,748.00	1%
Unappropriated	3,965,843,467.20	20%	4,004,077,074.59	20%	3,857,217,802.11	21%
Total shareholders' equity of the Company	7,357,238,856.20	37%	7,395,472,463.59	37%	7,248,613,191.11	39%
Non-controlling interests of subsidiaries	53,391,288.08	0%	73,577,180.29	0%	85,901,905.36	1%
Total shareholders' equity	7,410,630,144.28	37%	7,469,049,643.88	37%	7,334,515,096.47	40%
Total liabilities and shareholders' equity	20,041,499,404.20	100%	20,127,945,797.90	100%	18,568,105,850.41	100%



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
For the year ended 31 December 2021, 2022, 2023

(Unit : Baht)

	2021		2022		2023	
	Baht	%	Baht	%	Baht	%
Revenue from sales	12,987,726,923.22	100%	13,137,625,098.71	100%	14,148,185,097.11	100%
Cost of sales	(9,746,924,940.53)	(75%)	(10,553,760,233.72)	(80%)	(11,822,251,249.60)	(84%)
Gross profit	3,240,801,982.69	25%	2,583,864,864.99	20%	2,325,933,847.51	16%
Gain from exchange rate	53,937,930.61	0%	82,002,867.25	1%	60,637,480.57	0%
Other income	2,616,681.51	0%	58,264,302.90	0%	36,845,531.19	0%
Selling and distribution expenses	(1,198,998,635.61)	(9%)	(1,019,187,749.30)	(8%)	(1,299,554,126.68)	(9%)
Administrative expenses	(310,150,324.28)	(2%)	(435,973,330.92)	(3%)	(496,101,768.33)	(4%)
Loss from exchange rate	(58,267,312.05)	0%	(2,306,282.00)	0%	(3,111,054.65)	0%
Management benefit expenses	(106,850,408.06)	(1%)	(100,653,685.47)	(1%)	(88,404,526.80)	(1%)
Profit from operating activities	1,623,089,914.81	12%	1,166,010,987.45	9%	536,245,382.81	4%
Finance cost	(291,996,085.17)	(2%)	(329,627,728.69)	(3%)	(422,449,262.46)	(3%)
Profit before income tax	1,331,093,829.64	10%	836,383,258.76	6%	113,796,120.35	1%
Income tax expenses	(22,654,731.59)	0%	(93,965,684.27)	1%	(68,854,239.76)	(0%)
Profit for the year	1,308,439,098.05	10%	742,417,574.49	6%	44,941,880.59	0.3%
Other comprehensive income						
Item that will not be reclassified to profit or loss						
Actuarial gain (loss) arising from defined benefit plan	-	0%	20,066,646.37	0%	-	0%
Income tax relevance with other	-	0%	(4,013,329.26)	0%	-	0%
Other comprehensive income for the year-net of tax	-	0%	16,053,317.11	0%	-	0%
Total comprehensive income for the year	1,308,439,098.05	10%	758,470,891.60	6%	44,941,880.59	0.3%



VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
For the year ended 31 December 2021, 2022, 2023

(Unit : Baht)

	2021		2022		2023	
	Baht	%	Baht	%	Baht	%
Profit (loss) attributable to:						
Shareholders of the Company	1,293,776,725.15	10%	716,689,877.58	5%	26,658,755.52	0.2%
Non-controlling interests of the subsidiaries	14,662,372.90	0%	25,727,696.91	0%	18,283,125.07	0.1%
Profit for the year	1,308,439,098.05	10%	742,417,574.49	6%	44,941,880.59	0.3%
Total comprehensive income attributable to:						
Shareholders of the Company	1,293,776,725.15	10%	732,326,599.39	6%	26,658,755.52	0.2%
Non-controlling interests of the subsidiaries	14,662,372.90	0%	26,144,292.21	0%	18,283,125.07	0.1%
Total comprehensive income for the year	1,308,439,098.05	10%	758,470,891.60	6%	44,941,880.59	0.3%
Basic earnings (loss) per share (Baht/share)	0.75		0.41		0.02	

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOW (SUMMARY)  
For the year ended 31 December 2021, 2022, 2023

(Unit : Baht)

	2021	2022	2023
Net cash received from operating activities	2,417,271,712.26	1,865,998,842.91	1,599,972,080.20
Net cash used in investing activities	(799,031,275.11)	(754,378,626.46)	(470,513,886.32)
Net cash used in financing activities	(1,232,105,250.30)	(1,237,842,350.89)	(1,849,940,856.48)
Cash and cash equivalent items increase(decrease)-net	386,135,186.85	(126,222,134.44)	(720,482,662.60)
Cash and cash equivalent items at the beginning			
of the year	1,095,638,921.13	1,481,774,107.98	1,355,551,973.54
Cash and cash equivalent items at the end of the year	1,481,774,107.98	1,355,551,973.54	635,069,310.94

## Financial Ratio

consolidated financial statements				
		2021	2022	2023
<u>LIQUIDITY RATIO</u>				
Liquidity Ratio	times	1.17	1.03	1.04
Liquidity Quid Ratio	times	0.50	0.37	0.27
Cash flow liquidity ratio	times	0.46	0.31	0.26
Trade receivable turnover ratio	times	12.23	11.08	14.24
Average collection period	days	30	33	26
Finished goods turnover ratio	times	5.87	4.93	5.47
Average selling time of finished good	days	63	74	67
Inventory turnover ratio	times	3.95	3.52	3.84
Average sale period	days	93	104	95
Trade payable turnover ratio	times	21.42	26.25	38.24
repayment period	days	18	14	10
Cash Cycle	days	105	123	111
<u>PROFITABILITY RATIO</u>				
Gross margin rate	%	24.95	19.67	16.44
Operating margin rate	%	12.50	8.88	3.79
Cash to profit ratio	%	148.93	160.03	298.37
Net profit rate	%	9.92	5.40	0.19
Return on equity rate	%	19.03	9.72	0.36
<u>EFFICIENCY RATIO</u>				
Return on assets rate	%	6.65	3.57	0.14
Return on fixed assets rate	%	17.67	14.51	9.57
Turnover asset ratio	times	0.67	0.66	0.74
<u>FINANCIAL POLICY RATIO</u>				
Debt to equity ratio	times	1.70	1.69	1.53
Ability to pay of interest ratio	times	9.13	7.02	4.01
Interest-bearing debt to earnings before interest expense, income tax, depreciation and amortization ratio	times	3.86	4.37	5.29
Ability to settle obligations (cash basis)	times	0.74	0.50	0.44
Dividend Payout ratio	%	53.65	48.42	130.18



## 5. General information and other material facts

### 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 : 4<sup>th</sup> Unit, 19<sup>th</sup> 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  
: Ms. Praphasri Leelasupha CPA. No. 4664 or  
: Mr. Naris Saowalagsakul CPA. No. 5369 or  
: Ms. Gunyanun Punyaviwat CPA. No. 12733

### 5.2 Other material facts

- None -

### 5.3 Legal Disputes

- None -

### 5.4 Secondary market

- None -

# 02



## 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 2023, The company has held an annual general meeting of shareholders on April 24, 2023 at Magic 3 Room, 2<sup>nd</sup> Floor, The Miracle Grand Convention Hotel at No. 99 Vibhavadi Rangsit Road (Kamphaeng Phet 6), Kwaeng Talad Bangkokhen, Khet Lakxi, 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.

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 2023, 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. 2022 - 31 Dec. 2022, but none of the shareholders proposed the matter for consideration.

#### On the date of the Shareholders' Meeting

The Company holds the meeting by equally facilitating all shareholders attending the meeting. The document inspection point and the registration point are established appropriately and sufficiently. The duration of the registration prior to the meeting is 2 hours and continues until the meeting adjourned. Barcode system is applied to the registration of participants, the vote counting and the vote result display for convenience and rapidness. Duty stamps are prepared for shareholders who require authorization. In addition, there are sufficient and appropriate officers welcoming and providing facilitation to all shareholders attending the meeting.

In the 2023 Annual General Meeting of Shareholders, there was no shareholder authorizing an independent director, who are proposed by the Company to be a proxy, to vote instead 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 2023 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 and publish on the Company's website for shareholders' acknowledgement.

#### (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.
- 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 solar rooftop power generation projects at Saraburi Plant and Surat Thani Plant (subsidiary) to save energy costs 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 Rules 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 equipment, such as, safety shoes, hearing, dust, and chemical protection equipment, 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.



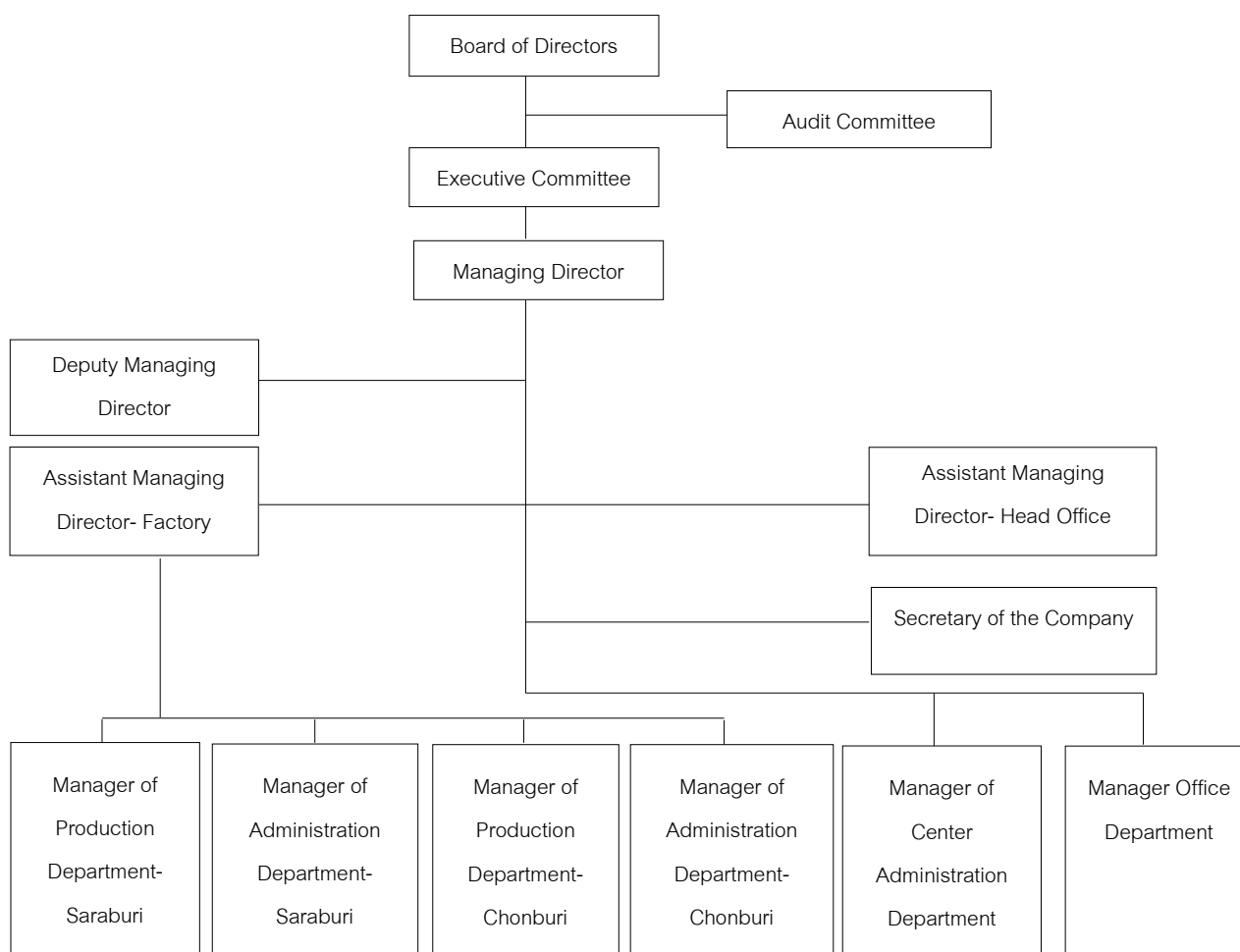
- Disclosure and Transparency: The Company discloses the necessary information accurately and completely, including financial information and performances, in accordance with the regulations and suggestions of the Stock Exchange of Thailand. Such information is disclosed via SET Link on the Company's 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	71	Chairman	1 Nov. 1994
	2.	Pol.Gen. Soontorn	Saikwan	79	Independent Director Audit Committee	19 Apr. 2005 7 Nov. 2023
	3.	Mr. Suebrakul	Soonthornthum	81	Independent Director Vice Chairman	1 Nov. 1994
	4.	Mr. Kraithip	Krairiksh	69	Independent Director Chairman of the Audit Committee	12 Dec. 2008 7 Nov. 2023
	5.	Pol. Gen Visanu	Prasattongosoth	61	Independent Director Audit Committee	7 Nov. 2023
	6.	Mr. Praphan	Anaman	72	Independent Director Audit Committee	7 Nov. 2023
*	7.	Ms. Yupaporn	Boongate	69	Vice Chairman	4 Jan. 1995
*	8.	Mr. Wanthana	Jaroennawarat	63	Managing Director	1 Nov. 1994
	9.	Mr. Suthep	Chaipattavanich	60	Director	1 Nov. 1994
*	10.	Mr. Patta	Sahawat	51	Deputy Managing Director	25 Apr. 2001
*	11.	Ms. Phattra	Sahawat	49	Director	24 Apr. 2002
*	12.	Mr. Somprasong	Sahavat	47	Director	13 May. 2003
*	13.	Mr. Sittiwat	Sahawat	43	Director	14 May. 2019
	14.	Mr. Surapong	Dumrisilp	66	Director	6 Mar. 2015
	15.	Mr. Vichai	Nivaspathomwat	77	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. Kraithip	Krairiksh	Chairman of the Audit Committee
2. Police General Soontorn	Saikwan	
3. Police General Visanu	Prasattongosoth	
4. Mr. Praphan	Anaman	

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 2023, the Company paid remuneration consisting of salaries and bonuses (Company only) to 6 executives, totaling 27.99 million Baht.
- (2) Other Remunerations  
- None -

#### 7.5 Information on employees

(1) Number of company employees and remuneration of employees (consists of salary, bonuses, overtime pay and living allowances). There are employees in the main line of work as follows:

Year 2021

	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
Remuneration	374,630,023.44 Baht	172,732,192.08 Baht

Year 2022

	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	15 people	14 people
• Office Managing Director and other	14 people	26 people
<u>Factory - Chonburi</u>		
• Employees - Production Department	433 people	176 people
• Employees - Management	73 people	79 people
<u>Factory - Saraburi</u>		
• Employees - Production Department	502 people	190 people
• Employees - Administrative Department	121 people	78 people
Total	1,162 people	564 people
Remuneration	400,898,616.33 Baht	149,981,916.36 Baht

Year 2023

	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	15 people	14 people
• Office Managing Director and other	15 people	28 people
<u>Factory - Chonburi</u>		
• Employees - Production Department	426 people	157 people
• Employees - Management	83 people	81 people
<u>Factory - Saraburi</u>		
• Employees - Production Department	574 people	222 people
• Employees - Administrative Department	58 people	60 people
Total	1,175 people	563 people
Remuneration	407,336,185.61 Baht	149,721,354.98 Baht

(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.

#### - Human Capital Development

Detail	Unit	Year		
		2021	2022	2023
Average employee training hours	Hours/Person/ Year	1.14	2.47	5.33
Total amount spent on employee training and development	Baht	42,482.20	63,988.46	788,958.67

#### 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 Ms. Kanokwan Khuanpadung

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 4,063,000.00 Baht

###### (2) Other Services.

- Inspection based on the investment promotion certificate's conditions, totaling of 245,000.00 Baht
- Fees for goods destruction observance, totaling of 3,000.00 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	4/4	1/1
2.	Pol. Gen. Wichean	Potephosree	Independent Director Audit Committee	3/3 <sup>(1)</sup>	1/1
3.	Mr. Nipon	Wisityuthasart	Independent Director Chairman of the Audit Committee	3/3 <sup>(2)</sup>	0/1
4.	Pol. Gen. Soontorn	Saikwan	Independent Director	4/4	1/1
5.	Mr. Suebrakul	Soonthornthum	Vice Chairman Independent Director	4/4	1/1
6.	Mr. Kraithip	Krairiksh	Independent Director Chairman of the Audit Committee	4/4	1/1
7.	Ms. Yupaporn	Boongate	Vice Chairman	4/4	1/1
8.	Mr. Wanthana	Jaroennawat	Managing Director	4/4	1/1
9.	Mr. Suthep	Chaipattanavanich	Director	4/4	1/1
10.	Mr. Patta	Sahawat	Deputy Managing Director	4/4	1/1
11.	Ms. Phattra	Sahawat	Director	4/4	1/1
12.	Mr. Somprasong	Sahawat	Director	4/4	1/1
13.	Mr. Sittiwat	Sahawat	Director	4/4	1/1
14.	Mr. Surapong	Dumrisilp	Director	4/4	1/1
15.	Mr. Vichai	Nivaspathomwat	Director	4/4	1/1



Name	Position	Meeting attendance / Total meeting	
		Board of Directors	Shareholder
16. Pol. Gen. Visanu Prasattongosoth	Independent Director Audit Committee	0/0 <sup>(3)</sup>	0/0
17. Mr. Praphan Anaman	Independent Director Audit Committee	0/0 <sup>(4)</sup>	0/0

- (1) Resignation from the Board of Directors, effective from October 11, 2023.
- (2) Resignation from the Board of Directors, effective from October 31, 2023.
- (3) Appointment of Pol. Gen. Visanu Prasattongosoth as the Company's director to replace Pol. Gen. Wichean Potephosree, effective from November 7, 2023.
- (4) Appointment of Mr. Praphan Anaman as the Company's Director to replace Mr. Nipon Wisityuthasart, effective from November 7, 2023.

#### Monetary remuneration

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

List-name	Position	Baht	Remarks
1. Mr. Nipon Wisityuthasart	Chairman of the Audit Committee	1,000,000	Resignation on October 31, 2023
2. Mr. Suetrakul Soonthornthum	Independent Director	1,120,000	
3. Mr. Kraithip Krairiksh	Chairman of the Audit Committee	820,000	
4. Pol. Gen. Soontorn Saikwan	Independent Director	600,000	
5. Pol. Gen. Wichean Potephosree	Audit Committee	700,000	Resignation on October 11, 2023
6. Pol. Gen. Visanu Prasattongosoth	Audit Committee	100,000	New Appointment on November 7, 2023
7. Mr. Praphan Anaman	Audit Committee	100,000	New Appointment on November 7, 2023
Total of remuneration		<u>4,440,000</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. Pol. Gen. Wichean	Potephosree	3/3 <sup>(1)</sup>
2. Mr. Nipon	Wisityuthasart	3/3 <sup>(2)</sup>
3. Mr. Kraithip	Krairiksh	4/4 <sup>(3)</sup>
4. Pol. Gen. Soontorn	Saikwan	0/0 <sup>(4)</sup>
5. Pol. Gen. Visanu	Prasattongosoth	0/0 <sup>(5)</sup>
6. Mr. Praphan	Anaman	0/0 <sup>(6)</sup>

(1) Resignation from the Audit Committee, effective from October 11, 2023.

(2) Resignation from the Audit Committee, effective from October 31, 2023.

(3) Appointment as Chairman of the Audit Committee, effective from November 7, 2023.

(4) Appointment as Audit Committee member, effective from November 7, 2023.

(5) Appointment as Audit Committee member to replace Pol. Gen. Wichean Potephosree, effective from November 7, 2023.

(6) Appointment of Audit Committee Member to replace Mr. Nipon Wisityuthasart, effective from November 7, 2023.



## 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 2023, the Audit Committee held 4 meetings, 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.

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 considered and appointed Certified Public Accountant who are Mr. Ampol Chamngwat Certified Public Accountant (Thailand) Registration No. 4663 or Ms. Praphasri Leelasupha Certified Public Accountant (Thailand) Registration No. 4664 or Mr. Naris Saowalagsakul Certified Public Accountant (Thailand) Registration No. 5369 or Ms. Gunyanun Punyaviwat Certified Public Accountant (Thailand) Registration No. 12733 or Mr. Burin Prasongsamrit Certified Public Accountant (Thailand) Registration No. 12879 from SAM NAK-NGAN A.M.C Co., Ltd. to be the auditors for the year 2024 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 2024 total 955,000 Baht to submit board of approval and presented at shareholder annual general shareholder meeting of year 2024 for future approval.



## 9. Internal control and related party transactions

### 9.1 Internal control

9.1.1 - Board of Directors' meeting No.1/2024 dated February 23, 2024 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

Company	Type of business and nature of business	Location	Paid-up capital
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. Vanachai Plywood	Bonded warehouse rental	Factory, 8/1, Sukumvit Rd., (Bangna-Trad), Takham, Bangpakong, Chachoengsao	60,000,000
6. Vanachai Veneer and Plywood	Manufacture plywood and laminated plywood	Factory, 89, Ban Chang, Muang, Pathum Thani	220,000,000
7. Maeyai	Manufacture Laminated MDF Board	43/3, Ban Chang, Muang, Pathum Thani	210,000,000
8. 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	-
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 Jaroennawarat			Mrs. Siriporn Chaipattanavanich			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	-	-	-	-
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	-	-
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	-	-
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 2023 (Million Baht)	Necessary and Justification
1. Related person	Director of Vanachai Group Plc.	- Companies in the group selling finished goods and installation service.	0.23	- Transactions between the company have the same price to the transactions with the outsiders.
		- Trade receivable	0.05	
2. Mae Yai Co., Ltd.	- Related company - Has the same major shareholding group	- The company in the Group which sells MDF Boards, OSB and Veneer sheet for using as raw materials for the production of goods.	16.16	- 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.	0.10	- As selling agent to related company.
		- The Company in the group bought veneer scrap, to used as raw material in production of goods.	19.64	- 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	0.69	- 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.	9.99	- Transactions between the company have the same price to the transactions with the outsiders.
		- The Company in the group pays for the freight.	0.11	- Transactions are conforming to agree contract using criteria similar to those of outsiders.
		- Trade receivable	4.00	
		- Accrued income	0.01	
		- Trade payable	2.92	
		- Other payable	0.09	

Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2023 (Million Baht)	Necessary and Justification
3. Woodland Co., Ltd.	<ul style="list-style-type: none"> <li>- Related company</li> <li>- Has the same major shareholding group</li> </ul>	<ul style="list-style-type: none"> <li>- The company in the Group which sells MDF Boards, Doorskin and Particleboards for using as raw materials for the production of goods.</li> </ul>	96.07	<ul style="list-style-type: none"> <li>- Transactions between the company have the same price to the transactions with the outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- The Company in the group charges for commission and sales service fee.</li> </ul>	0.99	<ul style="list-style-type: none"> <li>- As selling agent to related company.</li> </ul>
		<ul style="list-style-type: none"> <li>- The company in the Group have revenue from goods transportation.</li> </ul>	0.18	<ul style="list-style-type: none"> <li>- Business transactions are conforming to agree contract using criteria similar to those of outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- The Company purchases skirts and paper boxes for wooden stairs to be used as a raw material in the production of goods.</li> </ul>	0.47	<ul style="list-style-type: none"> <li>- Transactions between the company have the same price to the transactions with the outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- Group companies purchase prefabricated doors and frame to be sold to the general public.</li> </ul>	45.64	<ul style="list-style-type: none"> <li>- Transactions between the company have the same price to the transactions with the outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- The Company in the group pays for the freight.</li> </ul>	0.05	<ul style="list-style-type: none"> <li>- Business transactions are conforming to agree contract using criteria similar to those of outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- Trade receivable</li> </ul>	22.24	
		<ul style="list-style-type: none"> <li>- Other receivable</li> </ul>	0.12	
		<ul style="list-style-type: none"> <li>- Accrued income</li> </ul>	0.06	
		<ul style="list-style-type: none"> <li>- Trade payable</li> </ul>	12.41	
		<ul style="list-style-type: none"> <li>- Other payable</li> </ul>	0.01	



Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2023 (Million Baht)	Necessary and Justification
4. Vanachai Veneer and Plywood Co., Ltd.	<ul style="list-style-type: none"> <li>- Related company</li> <li>- Has the same major shareholding group</li> </ul>	<ul style="list-style-type: none"> <li>- The company in the Group sells veneer sheet for using as raw materials for the production of goods.</li> </ul>	6.21	<ul style="list-style-type: none"> <li>- Transactions between the company have the same price to the transactions with the outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- The Company in the group charges for commission and sales service fee.</li> </ul>	0.64	<ul style="list-style-type: none"> <li>- As selling agent to related company.</li> </ul>
		<ul style="list-style-type: none"> <li>- The company in the Group purchases veneer chips, wood core for using as raw materials for the production of goods.</li> </ul>	3.97	<ul style="list-style-type: none"> <li>- Business transactions are conforming to agree contract using criteria similar to those of outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- The company in the Group purchases concrete forming, plywood for using in general repair work.</li> </ul>	0.04	<ul style="list-style-type: none"> <li>- Transactions between the company have the same price to the transactions with the outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- The company in the Group purchases plywood and concrete forming plywood for selling to the general public.</li> </ul>	22.48	<ul style="list-style-type: none"> <li>- Transactions between the company have the same price to the transactions with the outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- Group companies purchase a film covering machine to be used for covering Wood veneer surface.</li> </ul>	0.07	<ul style="list-style-type: none"> <li>- Business transactions are conforming to agree contract.</li> </ul>
		<ul style="list-style-type: none"> <li>- The Company in the group pays for the freight.</li> </ul>	0.02	<ul style="list-style-type: none"> <li>- Business transactions are conforming to agree contract using criteria similar to those of outsiders.</li> </ul>
		<ul style="list-style-type: none"> <li>- Trade receivable</li> </ul>	1.54	
		<ul style="list-style-type: none"> <li>- Accrued income</li> </ul>	0.05	
		<ul style="list-style-type: none"> <li>- Trade payable</li> </ul>	6.01	
<ul style="list-style-type: none"> <li>- Other payable</li> </ul>	0.02			

Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2023 (Million Baht)	Necessary and Justification
5. Firstwood Co., Ltd.	<ul style="list-style-type: none"> <li>- Related company</li> <li>- Has the same major shareholding group</li> </ul>	<ul style="list-style-type: none"> <li>- The company has income from other sales.</li> <li>- 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 2022 to 30 June 2023. 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.</li> <li>- The Company has entered into the office space rental and services contract for a period of 1 year has started from 1 July 2023 to 30 June 2024.</li> </ul>	<p>0.01</p> <hr style="border-top: 1px dashed black;"/> <p>8.95</p>	<ul style="list-style-type: none"> <li>- Related trading items as factor cost.</li> <li>- <u>Opinions of the Board of Directors and the Audit Committee</u></li> <li>- 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.</li> <li>- No change in rental rates for space and services.</li> </ul>



Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2023 (Million Baht)	Necessary and Justification
Firstwood Co., Ltd. (con't)	<ul style="list-style-type: none"> <li>- Related company</li> <li>- Has the same major shareholding group</li> </ul>	<ul style="list-style-type: none"> <li>- 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 2022 to 30 June 2023. 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.</li> <li>- 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 2023 to 30 June 2024.</li> </ul>	2.58	<p><u>Opinions of the Board of Directors and the Audit Committee</u></p> <ul style="list-style-type: none"> <li>- 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.</li> </ul> <p style="text-align: right;">- No change in rental rates for space and services.</p>

Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2023 (Million Baht)	Necessary and Justification
Firstwood Co., Ltd. (cont)	<ul style="list-style-type: none"> <li>- Related company</li> <li>- Has the same major shareholding group</li> </ul>	<ul style="list-style-type: none"> <li>- 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, 2022 to August 31, 2023. 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 space. 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.</li> <li>- 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, 2023 to August 31, 2024.</li> </ul>	<p>5.82</p> <p>2.90</p>	<p><u>Opinions of the Board of Directors and the Audit Committee</u></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- No change in rental rates for space and services.</li> </ul>
		<ul style="list-style-type: none"> <li>- The Company in the group pay the phone bill and the security services in advanced by Firstwood Co., Ltd.</li> <li>- Other payable</li> <li>- Accrued expenses</li> </ul>	<p>1.61</p> <p>0.01</p> <p>0.01</p>	<ul style="list-style-type: none"> <li>- According to telephone rates of TOT Plc.</li> <li>- The security services paid under the actual service.</li> <li>- Telephone charges at Firstwood Co., Ltd advance payment.</li> </ul>



Individual / Entities that may conflict	Relationship	Description	Value of transaction in 2023 (Million Baht)	Necessary and Justification
6. The Vanachai Group Of Companies Co., Ltd.	- Parent company - Has the same major shareholding group	- Group companies earn revenues from sale of goods and services.	0.58	- Transactions between the company have the same price to the transactions with the outsiders.
		- Vanachai Woodsmith Co., Ltd. entered into a lease agreement for the warehouse building with the total rental area of 1,500 sq.m. in Depot by Vanachai Project, located at No. 51, Moo 1, Sirisothon Road, Saenphudat Sub-district, Ban Pho District, Chachoengsao Province, for 3 years from July 1, 2021 to June 30, 2024. The warehouse rental rate is 80 Baht/sq.m./month, which is determined by the market value estimated by The Valuation & Consultants Co., Ltd.	1.44	<u>Opinion of the Board of Directors and Audit Committee</u> - It is of the opinion that such transaction is appropriate because Vanachai Woodsmith Co., Ltd. has to rent warehouse building space to use as a storage facility, a sales center, and a distribution center for efficient distribution to customers in the eastern region, and an office of the Company and enter into a service agreement for public utilities system and common areas, such as roads, walkways, and connections between rental areas, for the benefit of using the Company's area in the Depot by Vanachai Project. Such transaction is reasonable and it is for the best interest of the Company. The external company is employed to assess and give an opinion on the appropriateness of the rental fees and service charges.
		- Vanachai Woodsmith Co., Ltd. entered into a service agreement for public utilities system on a total rental area of 1,500 sq.m. and the common areas, such as roads, walkways, and connections between rental areas, in Depot by Vanachai Project, located at No. 51, Moo 1, Sirisothon Road, Saenphudat Sub-district, Ban Pho District, Chachoengsao Province, for 3 years from July 1, 2021 to June 30, 2024. The service charge rate is 20 Baht/sq.m./month, which is determined by the market value estimated by The Valuation & Consultants Co., Ltd.	0.36	
		- The Company in the group pay electricity and water supply bills.	0.08	- Business transactions are conforming to agree contract
		- The Company in the group pay the consignment fee.	0.82	using criteria similar to those of outsiders.
		- Trade receivable	0.52	
		- Other payable	0.08	

### 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.





# 03

## 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 (Form 56-1 One Report). Financial statements for the year ended December 31, 2023 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 (Form 56-1 One 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 audit or should be able to audit and express their opinions according to the auditing standards. The auditor's opinions were already included in the Report of Auditor in the annual report (Form 56-1 One 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, 2023, are reliable and in compliance with Generally Accepted Accounting Principle and related rules.



(Mr.Sompop Sahawat)

Chairman



(Mr.Wanthana Jaroennawat)

Managing Director



**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, 2023, 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, 2023, 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 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 including Independence Standards issued by the Federation of Accounting Profession (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



## **Key audit matters**

Key audit matters are those matters that, in my professional 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, 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, 2023, the Group's inventories in amount of Baht 2,901.61 million and allowance for decline in value of inventories in amount of Baht 94.56 million and allowances for decline in value of non-movement inventories of Baht 3.73 million as in notes to financial statements No. 9. 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 22, 2024



**VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

As at December 31, 2023

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalent items	6	635,069,310.94	1,355,551,973.54	338,179,510.89	448,752,991.18
Trade and other receivable	5.1 and 7	980,684,849.17	1,213,296,016.47	556,522,044.31	738,172,945.06
Other current financial assets	8	221,000,000.00	-	111,300,000.00	-
Revenue Department receivable		316,859,450.70	324,439,634.98	151,704,157.85	160,291,728.08
Short-term loans to related parties	5.1	-	-	20,000,000.00	45,000,000.00
Inventories	9	2,901,614,545.47	3,249,732,637.19	755,548,450.75	845,510,112.69
Maintenance supplies		780,751,151.83	731,163,857.16	285,835,266.29	266,599,911.00
<b>Total current assets</b>		<b>5,835,979,308.11</b>	<b>6,874,184,119.34</b>	<b>2,219,089,430.09</b>	<b>2,504,327,688.01</b>
<b>Non-current assets</b>					
Investments in subsidiary companies	10	-	-	6,259,598,370.00	6,094,598,370.00
Property, plant and equipment	11	12,030,868,850.64	12,661,566,708.20	2,642,754,923.58	2,568,241,992.09
Right-of-use assets	5.1 and 12	574,339,895.13	495,061,518.34	205,077,053.85	217,778,101.77
Intangible assets	13	51,887,450.56	32,138,029.24	307,155.04	314,319.89
Deferred tax assets	14	59,352,407.39	57,248,838.55	40,509,369.24	38,753,742.62
Other non-current assets		15,677,938.58	7,746,584.23	9,342,600.00	4,655,257.50
<b>Total non-current assets</b>		<b>12,732,126,542.30</b>	<b>13,253,761,678.56</b>	<b>9,157,589,471.71</b>	<b>8,924,341,783.87</b>
<b>Total assets</b>		<b>18,568,105,850.41</b>	<b>20,127,945,797.90</b>	<b>11,376,678,901.80</b>	<b>11,428,669,471.88</b>

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, 2023

(Unit : Baht)

	Notes	Consolidated financial statements		Consolidated financial statements	
		2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	15	2,742,333,725.07	3,126,546,053.32	1,139,000,000.00	1,350,000,000.00
Trade and other payable	5.1 and 16	1,098,689,491.04	1,245,805,183.04	614,878,617.31	649,476,638.43
Advances received from customers		640,353,725.94	788,592,943.45	149,297,976.92	38,433,048.52
Current portion of long-term liabilities					
Long-term loans from financial institutions	17	1,026,050,003.96	1,415,400,003.96	570,999,999.96	632,499,999.96
Lease liabilities	5.1 and 18	58,388,008.71	40,759,781.38	10,040,081.47	9,665,635.50
Income tax payables		56,952,764.70	56,683,825.14	51,367,990.80	50,632,862.05
Total current liabilities		5,622,767,719.42	6,673,787,790.29	2,535,584,666.46	2,730,708,184.46
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	17	4,633,289,993.07	5,060,849,996.04	1,124,140,001.07	1,229,000,000.04
Lease liabilities	5.1 and 18	512,718,180.88	470,747,076.95	209,333,890.66	219,346,972.13
Employee benefit obligations	19	458,327,554.15	426,929,482.06	224,494,937.01	214,670,735.67
Deferred tax liabilities	14	2,828,985.08	18,815,600.01	-	-
Other non-current liabilities		3,658,321.34	7,766,208.67	4,479,321.34	8,587,208.67
Total non-current liabilities		5,610,823,034.52	5,985,108,363.73	1,562,448,150.08	1,671,604,916.51
Total liabilities		11,233,590,753.94	12,658,896,154.02	4,098,032,816.54	4,402,313,100.97
<b>Shareholders' equity</b>					
Share capital	20				
Authorized 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
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		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	21	173,523,748.00	173,523,748.00	173,523,748.00	173,523,748.00
Unappropriated		3,857,217,802.11	4,004,077,074.59	3,887,250,696.26	3,634,960,981.91
Total shareholders' equity of the Company		7,248,613,191.11	7,395,472,463.59	7,278,646,085.26	7,026,356,370.91
Non-controlling interests of subsidiaries		85,901,905.36	73,577,180.29	-	-
Total shareholders' equity		7,334,515,096.47	7,469,049,643.88	7,278,646,085.26	7,026,356,370.91
Total liabilities and shareholders' equity		18,568,105,850.41	20,127,945,797.90	11,376,678,901.80	11,428,669,471.88

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, 2023**

**(Unit : Baht)**

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Revenue from sales		14,148,185,097.11	13,137,625,098.71	5,433,636,168.01	5,243,099,243.18
Cost of sales	9	(11,822,251,249.60)	(10,553,760,233.72)	(4,400,898,004.89)	(4,025,994,431.76)
Gross profit		2,325,933,847.51	2,583,864,864.99	1,032,738,163.12	1,217,104,811.42
Dividend income from subsidiaries	5.2 and 10	-	-	144,139,993.25	97,048,685.20
Gain from exchange rate		60,637,480.57	82,002,867.25	17,945,268.71	21,495,052.69
Other income		36,845,531.19	58,264,302.90	55,592,906.76	41,935,676.52
Selling and distribution expenses		(1,299,554,126.68)	(1,019,187,749.30)	(399,904,534.61)	(328,845,017.11)
Administrative expenses		(496,101,768.33)	(435,973,330.92)	(191,524,033.70)	(198,249,296.97)
Loss from exchange rate		(3,111,054.65)	(2,306,282.00)	-	-
Management benefit expenses	5.3	(88,404,526.80)	(100,653,685.47)	(32,436,676.67)	(33,329,038.00)
Profit from operating activities		536,245,382.81	1,166,010,987.45	626,551,086.86	817,160,873.75
Finance cost		(422,449,262.46)	(329,627,728.69)	(130,627,279.58)	(110,557,931.01)
Profit before income tax		113,796,120.35	836,383,258.76	495,923,807.28	706,602,942.74
Income tax expenses	24.1	(68,854,239.76)	(93,965,684.27)	(70,116,064.93)	(80,674,694.21)
Profit for the year		44,941,880.59	742,417,574.49	425,807,742.35	625,928,248.53
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial gain (loss) arising from defined benefit plan	19	-	20,066,646.37	-	(3,635,784.67)
Income tax relevance with other comprehensive income	24.2	-	(4,013,329.26)	-	727,156.94
Other comprehensive income for the period - net of tax		-	16,053,317.11	-	(2,908,627.73)
Total comprehensive income for the year		44,941,880.59	758,470,891.60	425,807,742.35	623,019,620.80
Profit attributable to:					
Shareholders of the Company		26,658,755.52	716,689,877.58	425,807,742.35	625,928,248.53
Non-controlling interests of the subsidiaries	10	18,283,125.07	25,727,696.91	-	-
Profit for the year		44,941,880.59	742,417,574.49	425,807,742.35	625,928,248.53
Total comprehensive income attributable to:					
Shareholders of the Company		26,658,755.52	732,326,599.39	425,807,742.35	623,019,620.80
Non-controlling interests of the subsidiaries	10	18,283,125.07	26,144,292.21	-	-
Total comprehensive income for the year		44,941,880.59	758,470,891.60	425,807,742.35	623,019,620.80
Basic earnings per share	25	0.02	0.41	0.25	0.36

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, 2023

	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, 2022		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
Profit for the year		-	-	-	716,689,877.58	716,689,877.58	25,727,696.91	742,417,574.49
Other comprehensive income for the year		-	-	-	15,636,721.81	15,636,721.81	416,595.30	16,053,317.11
Total comprehensive income for the year		-	-	-	732,326,599.39	732,326,599.39	26,144,292.21	758,470,891.60
Dividend paid	22	-	-	-	(694,092,992.00)	(694,092,992.00)	-	(694,092,992.00)
Dividend payment of non-controlling interest of subsidiary		-	-	-	-	-	(5,958,400.00)	(5,958,400.00)
Balance as at December 31, 2022		1,735,237,480.00	1,482,634,161.00	173,523,748.00	4,004,077,074.59	7,395,472,463.59	73,577,180.29	7,469,049,643.88
Profit for the year		-	-	-	26,658,755.52	26,658,755.52	18,283,125.07	44,941,880.59
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	26,658,755.52	26,658,755.52	18,283,125.07	44,941,880.59
Dividend payment of non-controlling interest of subsidiary	22	-	-	-	(173,518,028.00)	(173,518,028.00)	-	(173,518,028.00)
Dividend payment of non-controlling interest of subsidiary		-	-	-	-	-	(5,958,400.00)	(5,958,400.00)
Balance as at December 31, 2023		1,735,237,480.00	1,482,634,161.00	173,523,748.00	3,857,217,802.11	7,248,613,191.11	85,901,905.36	7,334,515,096.47

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, 2023

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premiums on share capital	Retained earnings		Total shareholders' equity
				Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2022		1,735,237,480.00	1,482,634,161.00	173,523,748.00	3,706,034,353.11	7,097,429,742.11
Profit for the year		-	-	-	625,928,248.53	625,928,248.53
Other comprehensive income for the year		-	-	-	(2,908,627.73)	(2,908,627.73)
Total comprehensive income for the year		-	-	-	623,019,620.80	623,019,620.80
Dividend paid	22	-	-	-	(694,092,992.00)	(694,092,992.00)
Balance as at December 31, 2022		1,735,237,480.00	1,482,634,161.00	173,523,748.00	3,634,960,981.91	7,026,356,370.91
Profit for the year		-	-	-	425,807,742.35	425,807,742.35
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	425,807,742.35	425,807,742.35
Dividend paid	22	-	-	-	(173,518,028.00)	(173,518,028.00)
Balance as at December 31, 2023		1,735,237,480.00	1,482,634,161.00	173,523,748.00	3,887,250,696.26	7,278,646,085.26

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, 2023**

**(Unit : Baht)**

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flow from operating activities</b>				
Profit for the year	44,941,880.59	742,417,574.49	425,807,742.35	625,928,248.53
Adjustments to reconcile profit for cash received (used) from operations				
Reversal expected credit losses	(1,806,648.46)	(1,200,000.00)	(1,800,000.00)	(1,200,000.00)
Loss on diminution in value of inventories (reversal)	64,065,871.67	5,569,112.02	(3,282,052.57)	3,282,515.56
Loss on diminution in value of non-movement inventories (reversal)	322,845.40	(441,035.45)	322,845.40	(441,035.45)
Dividend income from subsidiaries	-	-	(144,139,993.25)	(97,048,685.20)
Depreciation of property, plant and equipment	1,103,854,214.99	1,094,790,768.91	232,773,416.59	233,005,240.83
Depreciation of right-of-use assets	50,760,306.97	49,799,293.38	12,701,047.92	12,701,435.36
Amortized intangible assets	4,070,192.68	2,974,416.91	426,907.85	526,337.99
Gain from disposed and written-off assets	(25,705,330.13)	(41,531,687.31)	(1,414,149.43)	(312,049.23)
Written-off assets to expenses	4,840,269.89	64,271,913.04	2,650,603.22	-
Gain loss from chang in lease contract	(1,049,830.99)	(1,685,652.80)	-	-
Unrealized loss on exchange rate	(8,369,806.48)	12,850,755.62	1,364,478.19	963,723.50
Employee benefits expenses	38,559,772.14	42,409,192.02	16,212,398.00	19,361,313.00
Interest income	(6,289,317.89)	(2,257,663.28)	(3,496,223.85)	(4,141,988.91)
Interest expenses of loans	400,467,745.52	308,573,549.13	122,047,035.08	101,645,066.64
Interest expenses of lease liabilities	21,981,516.94	21,054,179.56	8,580,244.50	8,912,864.37
Income tax expenses	68,854,239.76	93,965,684.27	70,116,064.93	80,674,694.21
Profit from operation before changes in operating assets and liabilities	1,759,497,922.60	2,391,560,400.51	738,870,364.93	983,857,681.20
Change in operating assets and liabilities				
Trade and other receivable	235,053,666.10	151,146,248.48	181,101,067.91	321,588,666.76
Other current financial assets	(221,000,000.00)	-	(111,300,000.00)	-
Revenue Department receivable	7,580,184.28	(106,138,349.48)	8,587,570.23	(90,553,377.27)
Inventories	283,729,374.65	(512,164,132.41)	92,920,869.11	(214,489,609.94)
Maintenance supplies	(45,415,422.21)	(73,005,989.20)	(19,235,355.29)	(32,643,883.73)
Other non-current assets	(4,689,248.34)	3,754,832.79	(4,687,342.50)	5,031,036.58
Trade and other payable	(170,453,626.92)	(402,440,954.24)	(50,121,363.19)	(100,902,077.38)
Advances received from customers	(148,239,217.51)	491,802,293.40	110,864,928.40	(5,217,343.72)
Employee benefits obligations	(7,195,756.99)	(10,593,098.33)	(6,388,196.66)	(6,006,833.33)
Other non-current liabilities	(4,107,887.33)	2,528,145.56	(4,107,887.33)	2,528,145.56
Cash received from operation	1,684,759,988.33	1,936,449,397.08	936,504,655.61	863,192,404.73
Cash received from interest income	6,289,317.89	2,257,663.28	3,961,771.79	4,671,030.01
Cash recieved for income tax	-	751,696.75	-	-
Cash paid for income tax	(91,077,226.02)	(73,459,914.20)	(71,136,562.80)	(52,949,487.46)
Net cash received from operating activities	1,599,972,080.20	1,865,998,842.91	869,329,864.60	814,913,947.28

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, 2023**

**(Unit : Baht)**

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flow from investing activities</b>				
Cash received from short-term loans to related parties	-	-	80,000,000.00	115,000,000.00
Cash paid for short-term loans to related parties	-	-	(55,000,000.00)	(105,000,000.00)
Cash paid for investment in subsidiaries	-	-	(165,000,000.00)	(60,000,000.00)
Dividend income from subsidiaries	-	-	144,139,993.25	97,048,685.20
Cash received from disposed of property, plant and equipment	60,065,055.38	59,867,902.81	2,592,968.92	2,053,199.48
Cash paid for purchase of property, plant and equipment	(478,110,105.90)	(789,031,834.62)	(290,386,501.26)	(292,987,391.90)
Cash paid for interest expenses capitalized to cost of assets	(7,048,977.94)	(6,040,041.43)	(5,511,670.06)	(565,705.48)
Cash paid for right-of-use assets	(21,600,243.86)	(1,052,641.15)	-	-
Cash paid for purchase of intangible assets	(23,819,614.00)	(18,122,012.07)	(419,743.00)	(283,810.00)
Net cash used in investing activities	(470,513,886.32)	(754,378,626.46)	(289,584,952.15)	(244,735,022.70)
<b>Cash flow from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	(384,212,328.25)	618,215,948.26	(211,000,000.00)	150,000,000.00
Cash received from long-term loans from financial institutions	577,140,000.00	275,000,000.00	486,140,000.00	225,000,000.00
Cash paid for long-term loans from financial institutions	(1,394,050,002.97)	(1,058,900,000.00)	(652,499,998.97)	(523,000,000.00)
Cash paid for lease liabilities	(69,770,794.59)	(64,058,793.69)	(18,218,880.00)	(18,218,880.00)
Cash paid for interest expenses of loans	(399,571,302.67)	(308,048,113.46)	(121,221,485.77)	(101,159,281.09)
Dividend paid	(173,518,028.00)	(694,092,992.00)	(173,518,028.00)	(694,092,992.00)
Dividend paid for non-controlling interests of the subsidiaries	(5,958,400.00)	(5,958,400.00)	-	-
Net cash used in financing activities	(1,849,940,856.48)	(1,237,842,350.89)	(690,318,392.74)	(961,471,153.09)
Cash and cash equivalent items increase(decrease)-net	(720,482,662.60)	(126,222,134.44)	(110,573,480.29)	(391,292,228.51)
Cash and cash equivalent items at the beginning of the year	1,355,551,973.54	1,481,774,107.98	448,752,991.18	840,045,219.69
Cash and cash equivalent items at the end of the year	635,069,310.94	1,355,551,973.54	338,179,510.89	448,752,991.18

**Additional disclosure :**

Items not affecting cash flow are as follows: -

- Transfer property, plant and equipment to maintenance supplies	4,171,872.46	22,539,838.53	-	924,427.20
- Transfer maintenance supplies to property, plant and equipment	-	1,174,495.41	-	1,174,495.41
- Transfer construction in progress to intangible assets	-	720,010.00	-	-
- Transfer other non-currents assets to intangible assets	-	2,703,200.00	-	-
- Purchases of property, plant and equipment which had not yet been paid	19,231,584.25	68,900,277.62	15,217,599.47	62,468,093.39
- Transfer deposit to property, plant and equipment	12,103,500.00	-	-	-
- Acquisition of rights of assets under lease agreements	98,038,107.78	21,628,237.09	-	918,457.62
- Depreciation of right-of-use assets capitalized to cost of assets	-	141,170.76	-	-
- Interest expenses of lease liabilities capitalized to cost of assets	-	16,413.72	-	-
- Employee benefits expenses capitalized to cost of assets	34,056.94	589,986.04	-	-
- Transfer employee benefit obligations to trade and other payable	-	10,127,386.67	-	5,693,600.00

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, 2023

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#### 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 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 period in which estimates are revised and in any future periods 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 if any change occurs.

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 than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Lease

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 loss

In determining the expected credit loss, the management needs to use judgment in estimating the expected loss 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, 2023 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>2023</u>	<u>2022</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	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. 10 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 decognized value and recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are decognized at its present value of the consideration. However, the consideration of the impairment of trade and other receivables has shown in Note 4.3.

#### 4.3 Financial instruments

##### Classification and measurement of financial assets

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

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

Financial assets – equity investments, , the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVTPL.

##### Financial assets at amortised cost.

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



### Financial assets designated at FVOCI

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method and expected credit loss are recognized in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### Financial assets at FVTPL

Financial assets measured at FVTPL are subsequently measured at fair value with net changes in fair value recognized in profit or loss.

Dividends on investments are decognized as other income in profit or loss.

### Classification and measurement of financial liabilities

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

### Derecognition of financial instruments

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

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



### Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating an allowance for expected credit losses (“ECLs”). Therefore, the Group does not track changes in credit risk, but instead recognised a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

### Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Derivative

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



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

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 is the lessee

The Group applies a single accounting method for the recognition and measurement of all lease contracts. Except for short-term leases and leases where the underlying asset is of low value at the commencement date of the lease. Right-of-use assets representing the right to use the underlying asset and lease liabilities are recorded as lease payments.

##### Right-of-use assets

Right-of-use assets are measured at cost less accumulated depreciation. Accumulated impairment loss and adjusted with a new measurement of the lease liability. The cost of a right-of-use asset comprises the amount of the lease liability on initial recognition. Initial direct costs incurred The amount paid under the lease agreement on or before the effective date of the lease and deducted by the lease incentive received.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the lease period, as follows:-

Buildings	20 years
Machines	3 years
Vehicles	5 years

If ownership of an underlying asset is transferred to the Group at the end of the lease term or its cost includes the exercise of a purchase option. Depreciation is calculated based on the estimated useful life of the asset.

### Lease liabilities

Lease liabilities are measured at the present value of the lease payments made over the lease term. The lease payments consist of fixed rent less lease incentives, variable rent based on index or rate, the amount expected to be paid under the residual value guarantee including the exercise price of the option, which is reasonably certain that the Group will exercise the option and payment of fines for the termination of the lease if the terms of a lease demonstrate that the Group exercises its right to terminate the lease. The Group recognizes variable rents that are not independent of an index or rate as an expense in the period in which the event or condition relating to the payment occurs.

The Group discounts the present value of the lease payments at the interest rate implied by the lease or the Group's incremental borrowing rate. After the effective date of the lease agreement, the book value of the lease liabilities will increase from the interest on the lease liabilities and decrease from the payment of the lease liabilities. In addition, the carrying amount of the lease liabilities is remeasured whenever there is a change in the lease term, changes in lease payments, or changes in the assessment of options to purchase the underlying assets.

### Short-term leases and leases of low-value assets

Leases with a lease term of 12 months or less from the effective date of the lease or leases on which the underlying asset is low value, it will be recorded as expenses on a straight-line basis over the lease term.

### The Group is the lessor

#### Operating lease

Leases which do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. The Group recognizes the amount received under operating leases as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred on an acquisition of an operating lease are included in the carrying amount of the underlying asset and recognized as an expense over the lease term on a basis consistent with the lease income.



### Finance lease

Leases that transfer to the lessee all or most of the risks and rewards of ownership of an underlying asset are finance leases. The Group recognizes finance lease receivables by the net investment amount of the lease. It comprises the present value of the lease and its unguaranteed residual value, discounted at the interest rate implied by the lease. Interest income on finance leases is allocated each accounting period to reflect the Group's fixed periodic rate of return on the remaining net investment in the lease.

#### 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.

The recoverable amount is the asset's fair value less costs to sell and its value in use in assessing the value in use of assets. The Group estimates the future cash flows expected to be generated by the asset and is discounted to their present value using a before tax discount rate that reflects current market assessments of the time value of cash and cash flows. The risks that are characteristic of the asset under consideration to determine fair value less costs to sell. The Group uses the best valuation model that is appropriate for the assets. It reflects the amount that the entity can obtain from the disposal of the asset less the cost of disposal by selling, buyers and sellers are knowledgeable and willing to exchange and can freely negotiate prices as those who are not related to each other.

The Group recognizes impairment losses in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Group estimates the assets recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

#### 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Trade receivable</b>				
Parent company	516,470.50	638.00	-	-
Subsidiaries	-	-	106,468,848.95	181,312,703.89
Related companies	27,777,982.36	34,997,508.01	23,894,667.55	28,945,799.43
Related person	54,909.00	34,548.00	-	-
Total	28,349,361.86	35,032,694.01	130,363,516.50	210,258,503.32
<b>Other receivable</b>				
Subsidiaries	-	-	28,326,292.05	4,350,624.55
Related companies	119,171.25	486.85	119,171.25	486.85
Total	119,171.25	486.85	28,445,463.30	4,351,111.40
<b>Accrued Income</b>				
Subsidiaries	-	-	26,849.32	492,397.26
Related companies	121,875.70	190,007.36	-	-
Total	121,875.70	190,007.36	26,849.32	492,397.26
<b>Short-term loans to related parties</b>				
Subsidiaries				
Beginning balance	-	-	45,000,000.00	55,000,000.00
Addition during the year	-	-	55,000,000.00	105,000,000.00
Repayment during the year	-	-	(80,000,000.00)	(115,000,000.00)
Ending balance	-	-	20,000,000.00	45,000,000.00

As at December 31, 2023 and 2022, the Company loans to subsidiary companies is in promissory note form at call and interest is carried interest rate at 3.50% for both years.



(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Consolidated financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Right-of-use assets-net</b>				
Parent company	10,132,383.54	11,691,211.74	-	-
Related companies	355,459,052.51	377,549,384.07	204,515,774.16	216,910,669.57
<b>Total</b>	<b>365,591,436.05</b>	<b>389,240,595.81</b>	<b>204,515,774.16</b>	<b>216,910,669.57</b>
<b>Trade payable</b>				
Subsidiaries	-	-	361,050,878.15	251,143,354.39
Related companies	21,344,212.97	26,458,639.76	802,870.22	901,805.63
<b>Total</b>	<b>21,344,212.97</b>	<b>26,458,639.76</b>	<b>361,853,748.37</b>	<b>252,045,160.02</b>
<b>Other payable</b>				
Parent company	79,276.30	95,992.62	-	-
Subsidiaries	-	-	13,584,967.14	51,379,035.27
Related companies	127,350.46	4,164,841.60	40,008.10	1,546,916.60
Related person	-	812,411.32	-	-
<b>Total</b>	<b>206,626.76</b>	<b>5,073,245.54</b>	<b>13,624,975.24</b>	<b>52,925,951.87</b>
<b>Accrued expenses</b>				
Related companies	9,400.54	9,182.63	28,767.13	-
<b>Deposit</b>				
Subsidiaries	-	-	821,000.00	821,000.00
<b>Lease liabilities</b>				
Parent company	10,533,995.63	11,966,301.22	-	-
Related companies	381,881,782.06	398,392,728.88	218,773,602.81	228,115,538.90
<b>Total</b>	<b>392,415,777.69</b>	<b>410,359,030.10</b>	<b>218,773,602.81</b>	<b>228,115,538.90</b>
<u>Less Current portion of lease liabilities</u>				
Parent company	(1,479,555.20)	(1,432,305.59)	-	-
Related companies	(17,140,769.41)	(16,510,946.82)	(9,705,171.90)	(9,341,936.10)
<b>Total</b>	<b>(18,620,324.61)</b>	<b>(17,943,252.41)</b>	<b>(9,705,171.90)</b>	<b>(9,341,936.10)</b>
<b>Net</b>	<b>373,795,453.08</b>	<b>392,415,777.69</b>	<b>209,068,430.91</b>	<b>218,773,602.80</b>



(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Consolidated financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Purchase of assets</b>				
Subsidiaries	-	-	97,268,957.07	49,365,354.80
Related companies	-	26,799,400.00	-	-
<b>Total</b>	<b>-</b>	<b>26,799,400.00</b>	<b>97,268,957.07</b>	<b>49,365,354.80</b>
<b>Sales of assets</b>				
Subsidiaries	-	-	1,011,384.00	186,080.00

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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Sales of goods and services</b>				
Parent company	577,705.56	596.26	-	-
Subsidiaries	-	-	333,349,576.06	344,838,908.34
Related companies	119,462,884.39	175,718,104.49	101,754,634.00	130,573,287.00
Related person	225,682.23	43,857.94	-	-
<b>Total</b>	<b>120,266,273.18</b>	<b>175,762,558.69</b>	<b>435,104,210.06</b>	<b>475,412,195.34</b>
<b>Other income</b>				
Subsidiaries	-	-	42,705,029.47	20,850,978.79
Related companies	901,804.58	895,833.05	6,188.00	419,252.11
<b>Total</b>	<b>901,804.58</b>	<b>895,833.05</b>	<b>42,711,217.47</b>	<b>21,270,230.90</b>
<b>Dividend income</b>				
Subsidiaries	-	-	144,139,993.25	97,048,685.20
<b>Interest income</b>				
Subsidiaries	-	-	1,409,109.59	2,958,630.10
<b>Purchase of goods</b>				
Subsidiaries	-	-	1,176,864,112.53	1,212,722,356.80
Related companies	102,895,963.96	106,129,524.50	5,057,254.00	5,278,551.00
<b>Total</b>	<b>102,895,963.96</b>	<b>106,129,524.50</b>	<b>1,181,921,366.53</b>	<b>1,218,000,907.80</b>



(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Other expenses</b>				
Parent company	895,360.00	135,970.00	-	-
Subsidiaries	-	-	95,830,618.61	134,000,477.80
Related companies	1,887,578.15	1,894,983.55	838,618.20	779,724.85
<b>Total</b>	<b>2,782,938.15</b>	<b>2,030,953.55</b>	<b>96,669,236.81</b>	<b>134,780,202.65</b>
<b>Interest expense from loans</b>				
Subsidiaries	-	-	373,972.61	-
<b>Depreciation of right-of-use assets</b>				
Parent company	1,558,828.20	1,558,828.20	-	-
Related companies	22,090,331.53	22,090,331.54	12,394,895.39	12,394,895.40
<b>Total</b>	<b>23,649,159.73</b>	<b>23,649,159.74</b>	<b>12,394,895.39</b>	<b>12,394,895.40</b>
<b>Interest expenses from lease liabilities</b>				
Parent company	367,694.41	413,435.15	-	-
Related companies	16,047,933.17	16,710,127.02	8,552,943.90	8,902,584.87
<b>Total</b>	<b>16,415,627.58</b>	<b>17,123,562.17</b>	<b>8,552,943.90</b>	<b>8,902,584.87</b>

### 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	86,006,823.17	97,350,865.51	31,323,014.67	32,334,399.00
Post-employment benefits	2,397,703.63	3,302,819.96	1,113,662.00	994,639.00
<b>Total</b>	<b>88,404,526.80</b>	<b>100,653,685.47</b>	<b>32,436,676.67</b>	<b>33,329,038.00</b>

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, 2023 and 2022 in amount of Baht 4.41 million and Baht 5.25 million respectively.

#### 5.4 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	0.3%-0.4% of sales
Rental	Agreed upon agreements
Purchase and sale of assets	Price reference with appraisal value by independent appraisal
Interest income and expenses	3.50% per annum
Interest expenses of lease liabilities	3.25%-4.50% per annum
Dividend income	According to the resolution of the General Meeting of Shareholders/ Board of Directors of the subsidiary

#### 5.5 Relationship

<u>Name of companies</u>	<u>Relationship</u>
The Vanachai Group of Companies Co., Ltd.	Parent company
Paticle 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 Logistic Co., Ltd.	Common directors and direct shareholding
Vanachai Logistic 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
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
Related person	Directors



## 6. Cash and cash equivalent items

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	9,839,225.98	31,763,864.87	2,468,725.31	2,142,424.73
Bank deposit	593,885,494.49	1,317,015,318.97	324,366,195.11	439,837,776.75
Cheques on hand	31,344,590.47	6,772,789.70	11,344,590.47	6,772,789.70
<b>Total</b>	<b>635,069,310.94</b>	<b>1,355,551,973.54</b>	<b>338,179,510.89</b>	<b>448,752,991.18</b>

## 7. Trade and other receivable

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade receivable-related parties	28,349,361.86	35,032,694.01	130,363,516.50	210,258,503.32
Trade receivable-other parties	816,218,776.24	1,015,974,273.84	355,242,547.94	470,954,625.71
Post dated cheques-other parties	29,265,066.03	36,780,679.68	24,038,306.13	27,255,593.18
Returned cheques receivable	11,695,470.84	13,495,470.84	11,695,470.84	13,495,470.84
<b>Total trade receivable</b>	<b>885,528,674.97</b>	<b>1,101,283,118.37</b>	<b>521,339,841.41</b>	<b>721,964,193.05</b>
<u>Less</u> Allowance for expected credit losses	(11,760,365.72)	(13,528,189.72)	(11,728,189.72)	(13,528,189.72)
<b>Total trade receivable-net</b>	<b>873,768,309.25</b>	<b>1,087,754,928.65</b>	<b>509,611,651.69</b>	<b>708,436,003.33</b>
Other receivable-related parties	119,171.25	486.85	28,445,463.30	4,351,111.40
Other receivable-other parties	41,234,080.07	39,983,932.95	888,157.85	4,790,139.96
Accrued income-related parties	121,875.70	190,007.36	26,849.32	492,397.26
Prepaid expenses	37,956,436.75	32,229,334.59	6,822,875.11	4,887,062.56
Deposits	1,432,225.41	689,603.65	1,359,028.77	689,603.65
Others	27,234,324.98	53,668,121.12	9,368,018.27	14,526,626.90
<b>Total other receivable</b>	<b>108,098,114.16</b>	<b>126,761,486.52</b>	<b>46,910,392.62</b>	<b>29,736,941.73</b>
<u>Less</u> Allowance for expected credit losses	(1,181,574.24)	(1,220,398.70)	-	-
<b>Total other receivable-net</b>	<b>106,916,539.92</b>	<b>125,541,087.82</b>	<b>46,910,392.62</b>	<b>29,736,941.73</b>
<b>Total trade and other receivable</b>	<b>980,684,849.17</b>	<b>1,213,296,016.47</b>	<b>556,522,044.31</b>	<b>738,172,945.06</b>



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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Local trade receivable				
Within credit term	28,341,361.86	33,864,657.40	97,547,799.39	164,754,062.80
Overdue 1-90 days	8,000.00	1,168,036.61	32,815,717.11	30,209,958.16
Overdue over 90 days	-	-	-	15,294,482.36
<b>Total</b>	<b>28,349,361.86</b>	<b>35,032,694.01</b>	<b>130,363,516.50</b>	<b>210,258,503.32</b>

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

#### 7.2 Trade receivable-other parties

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Within credit term	458,223,024.59	521,275,448.94	323,463,422.82	392,410,261.48
Overdue 1-90 days	381,964,460.63	526,492,066.78	53,342,881.42	100,850,989.78
Overdue 91-180 days	4,435,556.17	4,932,118.92	2,441,830.95	4,916,248.75
Overdue 181-270 days	785,214.00	22,600.00	-	-
Overdue over 270 days	11,771,057.72	13,528,189.72	11,728,189.72	13,528,189.72
<b>Total</b>	<b>857,179,313.11</b>	<b>1,066,250,424.36</b>	<b>390,976,324.91</b>	<b>511,705,689.73</b>
<u>Less</u> Allowance for expected credit losses	(11,760,365.72)	(13,528,189.72)	(11,728,189.72)	(13,528,189.72)
<b>Net</b>	<b>845,418,947.39</b>	<b>1,052,722,234.64</b>	<b>379,248,135.19</b>	<b>498,177,500.01</b>

The normal credit term granted by the Group is approximately from 30-60 days.

The movement of allowance for expected credit losses-trade and other receivable for the years ended December 31, 2023 and 2022, were as follows: -

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Consolidated financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	(14,748,588.42)	(15,948,588.42)	(13,528,189.72)	(14,728,189.72)
Increase during the year	(32,176.00)	-	-	-
Collect during the year	1,838,824.46	1,200,000.00	1,800,000.00	1,200,000.00
<b>Ending balance</b>	<b>(12,941,939.96)</b>	<b>(14,748,588.42)</b>	<b>(11,728,189.72)</b>	<b>(13,528,189.72)</b>



## 8. Other current financial assets

As at December 31, 2023, Consolidated financial statements and Separate financial statement the whole amount is saving deposit with collateral under selling machinery contracts which measured at amortized cost and interest is carried by the rate of 0.15-0.60% per annum.

## 9. Inventories

(Unit : Baht)

	<u>Consolidated financial statements</u>							
	2023				2022			
	Cost	Allowance for diminution in value of inventories	Allowance for diminution in value of non-movement inventories	Net	Cost	Allowance for diminution in value of inventories	Allowance for diminution in value of non-movement inventories	Net
Finished goods	2,082,937,924.31	(91,116,137.33)	(3,733,161.05)	1,988,088,625.93	2,366,257,895.73	(25,140,842.60)	(3,410,315.65)	2,337,706,737.48
Work in process	176,070,420.26	(3,444,802.61)	-	172,625,617.65	251,413,044.49	(5,354,225.67)	-	246,058,818.82
Raw materials	481,598,100.31	-	-	481,598,100.31	417,111,890.28	-	-	417,111,890.28
Supplies	226,222,992.14	-	-	226,222,992.14	219,790,868.31	-	-	219,790,868.31
Goods in transit	33,079,209.44	-	-	33,079,209.44	29,064,322.30	-	-	29,064,322.30
<b>Total</b>	<b>2,999,908,646.46</b>	<b>(94,560,939.94)</b>	<b>(3,733,161.05)</b>	<b>2,901,614,545.47</b>	<b>3,283,638,021.11</b>	<b>(30,495,068.27)</b>	<b>(3,410,315.65)</b>	<b>3,249,732,637.19</b>

(Unit : Baht)

	<u>Separate financial statements</u>							
	2023				2022			
	Cost	Allowance for diminution in value of inventories	Allowance for diminution in value of non-movement inventories	Net	Cost	Allowance for diminution in value of inventories	Allowance for diminution in value of non-movement inventories	Net
Finished goods	452,722,004.82	(3,325,370.82)	(3,733,161.05)	445,663,472.95	590,083,231.83	(4,428,483.48)	(3,410,315.65)	582,244,432.70
Work in process	108,156,161.82	(1,030,229.04)	-	107,125,932.78	116,027,947.80	(3,209,168.95)	-	112,818,778.85
Raw materials	150,006,969.45	-	-	150,006,969.45	85,208,535.21	-	-	85,208,535.21
Supplies	52,752,075.57	-	-	52,752,075.57	65,238,365.93	-	-	65,238,365.93
<b>Total</b>	<b>763,637,211.66</b>	<b>(4,355,599.86)</b>	<b>(3,733,161.05)</b>	<b>755,548,450.75</b>	<b>856,558,080.77</b>	<b>(7,637,652.43)</b>	<b>(3,410,315.65)</b>	<b>845,510,112.69</b>

The movement of allowance for diminution in value of inventories for the years ended December 31, 2023 and 2022 was as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	(30,495,068.27)	(24,925,956.25)	(7,637,652.43)	(4,355,136.87)
(Addition) Reversal during the year	(64,065,871.67)	(5,569,112.02)	3,282,052.57	(3,282,515.56)
<b>Ending balance</b>	<b>(94,560,939.94)</b>	<b>(30,495,068.27)</b>	<b>(4,355,599.86)</b>	<b>(7,637,652.43)</b>

The movement of allowances for diminution in value of non-movement inventories for the years ended December 31, 2023 and 2022 was as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	(3,410,315.65)	(3,851,351.10)	(3,410,315.65)	(3,851,351.10)
(Addition) reversal during the year	(322,845.40)	441,035.45	(322,845.40)	441,035.45
Ending balance	(3,733,161.05)	(3,410,315.65)	(3,733,161.05)	(3,410,315.65)

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cost of inventories record as expenses and include in the cost of sales				
-Cost of sales	11,736,076,933.26	10,548,632,157.15	4,382,071,612.79	4,023,152,951.65
-Written down value to net realizable value (reversal)	64,065,871.67	5,569,112.02	(3,282,052.57)	3,282,515.56
-Diminution in value of non-movement inventories (reversal)	322,845.40	(441,035.45)	322,845.40	(441,035.45)
-Cost of testing	21,785,599.27	-	21,785,599.27	-
Net	11,822,251,249.60	10,553,760,233.72	4,400,898,004.89	4,025,994,431.76

## 10. Investments in subsidiary companies

(Unit : Baht)

<u>Name of companies</u>	<u>Paid-up share capital</u>		<u>Percentage of</u>		<u>Investment cost method</u>		<u>Dividend</u>	
	<u>(Unit : Thousand Baht)</u>		<u>Shareholding (%)</u>		<u>As at December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
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	-	14,999,993.00
Woodtek International Co., Ltd.	2,000	2,000	99.97	99.97	1,999,300.00	1,999,300.00	-	14,994,750.00
Vanachai Energy Industries Co., Ltd.	613,600	613,600	99.99	99.99	613,599,970.00	613,599,970.00	138,059,993.25	60,973,942.20
Vanachai Woodsmith Co., Ltd.	360,000	260,000	99.99	99.99	359,999,970.00	259,999,970.00	-	-
Vanachai Logistic Co., Ltd.	115,000	50,000	99.99	99.99	114,999,970.00	49,999,970.00	-	-
PV Wood Co., Ltd.	38,000	38,000	50.00	50.00	19,000,000.00	19,000,000.00	6,080,000.00	6,080,000.00
Total					6,259,598,370.00	6,094,598,370.00	144,139,993.25	97,048,685.20



The movement of investments in a subsidiary company for the year ended December 31, 2023 was as follows: -

(Unit : Baht)

	<u>Separate financial statement</u>
Beginning balance	6,094,598,370.00
Invested in Vanachai Woodsmith Co., Ltd.	100,000,000.00
Invested in Vanachai Logistic Co., Ltd.	65,000,000.00
Ending balance	<u>6,259,598,370.00</u>

In accordance with the minutes of extraordinary shareholders' meeting No. 1/2023 of Vanachai Woodsmith Co., Ltd. held on February 17, 2023, the subsidiary company has resolution to increase the share capital by issuing new ordinary shares 5,000,000 shares of Baht 10.00 per share. The subsidiary company called for the paid-up capital in amount of Baht 50.00 million and registered the increase in share capital with the Ministry of Commerce on March 2, 2023.

In accordance with the minutes of extraordinary shareholders' meeting No. 2/2023 of Vanachai Woodsmith Co., Ltd. held on September 8, 2023, the subsidiary company has resolution to increase the share capital by issuing new ordinary shares 5,000,000 shares of Baht 10.00 per share. The subsidiary company called for the paid-up capital in amount of Baht 50.00 million and registered the increase in share capital with the Ministry of Commerce on September 20, 2023.

In accordance with the minutes of Board of Directors meeting No. 2/2023 of Vanachai Logistics Co., Ltd. held on April 11, 2023, the subsidiary company has resolution to increase the share capital by issuing new ordinary shares 6,500,000 shares of Baht 10.00 per share. The subsidiary company called for the paid-up capital in amount of Baht 65.00 million and registered the increase in share capital with the Ministry of Commerce on May 8, 2023.

#### Subsidiary with material non-controlling interests

(Unit : Baht)

Name	<u>Proportion of ownership</u>		<u>Total comprehensive</u>		<u>Total Other comprehensive</u>		<u>Accumulated</u>	
	<u>interests held by the</u>		<u>income allocated to</u>		<u>income allocated to</u>		<u>non-controlling interests</u>	
	<u>non-controlling interests</u>		<u>non-controlling interests</u>		<u>non-controlling interests</u>		<u>non-controlling interests</u>	
	<u>as at December 31,</u>		<u>for the year ended December 31,</u>		<u>for the year ended December 31</u>		<u>as at December 31,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
PV Wood Co., Ltd.	49.00%	49.00%	18,283,125.07	25,727,696.91	-	416,595.30	85,901,905.36	73,577,180.29



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

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Current assets	266,937,229.19	194,840,808.71
Non-current assets	155,560,054.11	142,683,874.16
Total assets	<u>422,497,283.30</u>	<u>337,524,682.87</u>
Current liabilities	(129,437,128.47)	(65,350,317.33)
Non-current liabilities	(117,750,143.92)	(122,016,854.77)
Total liabilities	<u>(247,187,272.39)</u>	<u>(187,367,172.10)</u>
Net assets	<u>175,310,010.91</u>	<u>150,157,510.77</u>
Non-controlling interests	<u>85,901,905.36</u>	<u>73,577,180.29</u>

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Revenue	505,163,436.27	431,545,570.74
Profit for the year attributable to the Company's shareholders	19,029,375.07	26,777,806.99
Profit for the year attributable to non-controlling interests	18,283,125.07	25,727,696.91
Profit for the year	37,312,500.14	52,505,503.90
Other comprehensive income for the year	-	850,194.48
Total comprehensive income attributable to the Company's shareholders	19,029,375.07	27,211,406.17
Total comprehensive income attributable to non-controlling interests	18,283,125.07	26,144,292.21
Total comprehensive income for the year	<u>37,312,500.14</u>	<u>53,355,698.38</u>
Net cash received from operating activities	53,695,390.90	27,190,878.68
Net cash used in investing activities	(23,839,314.09)	(663,278.09)
Net cash used in financing activities	(23,860,000.00)	(24,028,000.00)
Cash and cash equivalent items increase-net	<u>5,996,076.81</u>	<u>2,499,600.59</u>



## 11. 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	
<b>Cost: -</b>								
As at January 1, 2022	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
Purchase	200,000.00	4,947,658.50	155,943,565.15	99,960,401.00	8,316,182.86	6,806,183.62	581,758,121.11	857,932,112.24
Interest expenses capitalized								
to cost of asset	-	-	-	-	-	-	6,040,041.43	6,040,041.43
Transfer in	-	80,713,379.89	449,856,275.06	-	363,893.24	1,012,102.80	10,475,429.52	542,421,080.51
Transfer out	-	-	(100,905,901.21)	(245,981,111.97)	-	-	(281,143,762.97)	(628,030,776.15)
Sale/Written-off	-	(10,217,448.05)	(103,382,530.35)	(14,827,983.74)	(2,363,772.54)	(1,665,162.53)	-	(132,456,897.21)
As at December 31, 2022	657,868,578.73	3,718,530,751.11	24,813,554,750.04	287,551,105.53	428,625,721.36	188,249,000.17	704,514,348.50	30,798,894,255.44
Purchase	-	5,911,571.30	205,484,574.55	27,459,985.03	11,937,561.52	6,998,466.12	239,549,531.63	497,341,690.15
Interest expenses capitalized								
to cost of asset	-	-	-	-	-	-	7,048,977.94	7,048,977.94
Transfer in	-	87,064,274.55	598,505,590.93	-	5,810,600.56	410,368.00	232,805.85	692,023,639.89
Transfer out	-	-	(16,911,762.95)	-	(330,000.00)	(12,858.35)	(671,643,604.00)	(688,898,225.30)
Sale/Written-off	-	(2,928,560.50)	(413,789,883.41)	(16,616,434.47)	(98,778,634.46)	(36,521,644.19)	-	(568,635,157.03)
As at December 31, 2023	657,868,578.73	3,808,578,036.46	25,186,843,269.16	298,394,656.09	347,265,248.98	159,123,331.75	279,702,059.92	30,737,775,181.09
<b>Accumulated depreciation: -</b>								
As at January 1, 2022	-	(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)
Depreciation for the year	-	(116,940,805.70)	(921,506,273.90)	(25,354,396.28)	(18,587,877.42)	(12,401,415.61)	-	(1,094,790,768.91)
Transfer in	-	-	(222,167,947.41)	-	-	-	-	(222,167,947.41)
Transfer out	-	-	-	222,167,947.41	-	-	-	222,167,947.41
Sale/Written-off	-	10,156,249.66	87,677,815.82	12,326,910.47	2,295,337.88	1,664,367.88	-	114,120,681.71
As at December 31, 2022	-	(1,632,143,064.24)	(15,811,284,917.12)	(141,630,420.27)	(392,191,496.17)	(160,077,649.44)	-	(18,137,327,547.24)
Depreciation for the year	-	(119,816,449.68)	(926,726,803.99)	(27,430,253.77)	(16,809,896.00)	(13,070,811.55)	-	(1,103,854,214.99)
Sale/Written-off	-	2,659,858.97	388,773,823.96	10,191,521.68	96,064,538.73	36,585,688.44	-	534,275,431.78
As at December 31, 2023	-	(1,749,299,654.95)	(16,349,237,897.15)	(158,869,152.36)	(312,936,853.44)	(136,562,772.55)	-	(18,706,906,330.45)
<b>Book value: -</b>								
As at December 31, 2022	657,868,578.73	2,086,387,686.87	9,002,269,832.92	145,920,685.26	36,434,225.19	28,171,350.73	704,514,348.50	12,661,566,708.20
As at December 31, 2023	657,868,578.73	2,059,278,381.51	8,837,605,372.01	139,525,503.73	34,328,395.54	22,560,559.20	279,702,059.92	12,030,868,850.64
<b>The depreciation in the statements of comprehensive income</b>								
For the year ended December 31, 2022								1,094,790,768.91
For the year ended December 31, 2023								1,103,854,214.99

(Unit : Baht)

## Separate financial statements

	Building improvements,							Total
	Land and land improvements	factory building and construction	Machines and equipment	Vehicles	Tools	Furniture and office equipment	Construction in progress	
<b>Cost: -</b>								
As at January 1, 2022	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
Purchase	200,000.00	370,659.44	27,512,319.11	2,457,000.00	2,661,357.47	2,680,959.59	319,573,189.68	355,455,485.29
Interest expenses capitalized								
to cost of asset	-	-	-	-	-	-	565,705.48	565,705.48
Transfer in	-	72,295,068.76	160,668,923.85	-	241,837.76	1,012,102.80	9,727,859.00	243,945,792.17
Transfer out	-	-	(19,824,947.93)	-	-	-	(223,870,776.03)	(243,695,723.96)
Sale/Written-off	-	-	(12,078,414.33)	(6,318,659.01)	(1,557,077.57)	(1,355,012.60)	-	(21,309,163.51)
As at December 31, 2022	333,585,366.39	1,249,534,521.59	6,081,892,232.33	55,931,751.41	216,060,452.47	48,486,580.16	144,644,209.74	8,130,135,114.09
Purchase	-	-	29,178,206.85	12,146,000.00	5,567,161.91	3,568,927.44	255,143,804.53	305,604,100.73
Interest expenses capitalized								
to cost of asset	-	-	-	-	-	-	5,511,670.06	5,511,670.06
Transfer in	-	5,347,086.67	14,838,354.38	-	1,794,710.71	-	198,748.90	22,178,900.66
Transfer out	-	-	(3,801,279.22)	-	(330,000.00)	-	(20,698,224.66)	(24,829,503.88)
Sale/Written-off	-	(65,604.50)	(17,696,289.42)	(3,811,000.00)	(3,645,184.20)	(285,530.19)	-	(25,503,608.31)
As at December 31, 2023	333,585,366.39	1,254,816,003.76	6,104,411,224.92	64,266,751.41	219,447,140.89	51,769,977.41	384,800,208.57	8,413,096,673.35
<b>Accumulated depreciation: -</b>								
As at January 1, 2022	-	(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)
Depreciation for the year	-	(39,420,997.71)	(180,952,245.37)	(3,155,800.44)	(7,615,438.03)	(1,860,759.28)	-	(233,005,240.83)
Sale/Written-off	-	-	11,678,262.52	5,017,606.14	1,517,666.33	1,354,478.27	-	19,568,013.26
As at December 31, 2022	-	(553,835,556.05)	(4,725,758,291.53)	(35,731,205.00)	(203,745,574.28)	(42,822,495.14)	-	(5,561,893,122.00)
Depreciation for the year	-	(42,295,098.06)	(177,809,942.69)	(3,782,681.18)	(6,471,812.86)	(2,413,881.80)	-	(232,773,416.59)
Sale/Written-off	-	64,235.98	16,955,249.41	3,483,896.20	3,538,514.24	282,892.99	-	24,324,788.82
As at December 31, 2023	-	(596,066,418.13)	(4,886,612,984.81)	(36,029,989.98)	(206,678,872.90)	(44,953,483.95)	-	(5,770,341,749.77)
<b>Book value: -</b>								
As at December 31, 2022	333,585,366.39	695,698,965.54	1,356,133,940.80	20,200,546.41	12,314,878.19	5,664,085.02	144,644,209.74	2,568,241,992.09
As at December 31, 2023	333,585,366.39	658,749,585.63	1,217,798,240.11	28,236,761.43	12,768,267.99	6,816,493.46	384,800,208.57	2,642,754,923.58
<b>The depreciation in the statements of comprehensive income</b>								
For the year ended December 31, 2022								233,005,240.83
For the year ended December 31, 2023								232,773,416.59

For the years ended December 31, 2023 and 2022, the Group had capitalize to cost of construction in progress in the consolidated financial statement amount of Baht 7.05 million and Baht 6.04 million respectively and for the year ended December 31, 2023 and 2022 in the separate financial statements amount of Baht 5.51 million and 0.57 million by calculating from the interest rate of specific loan utilized for the investment in the said assets.

As at December 31, 2023 and 2022, in the consolidated financial statements the Group had the assets which had not the depreciation but they still used. The cost price was Baht 7,813.78 million, the book value was Baht 72.65 million and the cost price was Baht 7,794.95 million, the book value was Baht 73.72 million respectively.



As at December 31, 2023 and 2022, in the separate financial statements the Company had the assets which had not the depreciation but they still used. The cost price was Baht 3,733.07 million, the book value was Baht 35.68 million and the cost price was 3,691.55 million, the book value was Baht 35.68 million respectively.

As at December 31, 2023 and 2022, the Group has pledged the part of land, property and machinery with the book value stated in the consolidated financial statements of Baht 9,649.29 million and Baht 10,587.27 million respectively, and in the separate financial statements of Baht 1,929.52 million and Baht 1,809.18 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. 15 and 17. Furthermore, as at December 31, 2023 and 2022 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, 2023 and 2022, a part of the land that the Group had plans to use them objectively in future for business expansion in amount of Baht 63.70 million for both years.

For the years ended December 31, 2023 the Company is currently testing the machine, which involves recognized the cost of goods from the machinery testing as part of the cost of sales amount of Baht 21.76 million. and the sale of these goods, which is recognized as part of the revenue from sales amount of Bath 7.46 million.

## 12. Right-of-use assets and lease liabilities

(Unit : Thousand Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Right-of-use assets-related parties	365,591,436.05	389,240,595.81	204,515,774.16	216,910,669.57
Right-of-use assets-other parties	208,748,459.08	105,820,922.53	561,279.69	867,432.20
Total right-of-use assets	574,339,895.13	495,061,518.34	205,077,053.85	217,778,101.77

For the years ended December 31, 2023 and 2022, the movement were as follows: -

(Unit : Baht)

	Consolidated financial statements			
	Building	Machines	Vehicles	Total
<b>Right-of-use assets: -</b>				
As at January 1, 2022	599,811,612.94	35,207,061.87	12,584,687.88	647,603,362.69
Increased during the year	13,602,367.89	6,744,977.63	2,333,532.72	22,680,878.24
Changes in lease agreements during the year	(16,864,314.87)	(30,811,442.03)	-	(47,675,756.90)
As at December 31, 2022	596,549,665.96	11,140,597.47	14,918,220.60	622,608,484.03
Increased during the year	23,401,368.72	12,522,198.06	83,714,784.86	119,638,351.64
Changes in lease agreements during the year	(7,223,256.48)	(1,829,572.66)	-	(9,052,829.14)
As at December 31, 2023	612,727,778.20	21,833,222.87	98,633,005.46	733,194,006.53

(Unit : Baht)

	Consolidated financial statements			
	Building	Machines	Vehicles	Total
<b>Accumulated depreciation: -</b>				
As at January 1, 2022	(101,122,831.47)	(31,029,454.81)	(2,423,482.15)	(134,575,768.43)
Changes in lease agreements during the year	25,239,367.23	31,729,899.65	-	56,969,266.88
Depreciation capitalized to cost of assets	-	(141,170.76)	-	(141,170.76)
Depreciation for portion shown in profit or loss	(42,178,602.87)	(4,688,235.39)	(2,932,455.12)	(49,799,293.38)
As at December 31, 2022	(118,062,067.11)	(4,128,961.31)	(5,355,937.27)	(127,546,965.69)
Changes in lease agreements during the year	17,623,588.60	1,829,572.66	-	19,453,161.26
Depreciation for portion shown in profit or loss	(44,149,254.57)	(4,393,752.56)	(2,217,299.84)	(50,760,306.97)
As at December 31, 2023	(144,587,733.08)	(6,693,141.21)	(7,573,237.11)	(158,854,111.40)
<b>Book value: -</b>				
As at December 31, 2022	478,487,598.85	7,011,636.16	9,562,283.33	495,061,518.34
As at December 31, 2023	468,140,045.12	15,140,081.66	91,059,768.35	574,339,895.13
<b>The depreciation in the statements of comprehensive income</b>				
For the year ended December 31, 2022				49,799,293.38
For the year ended December 31, 2023				50,760,306.97

(Unit : Baht)

	Separate financial statements		
	Building	Machines	Total
<b>Right-of-use assets: -</b>			
As at January 1, 2022	254,095,355.70	868,749.58	254,964,105.28
Changes in lease agreements during the year	-	918,457.62	918,457.62
As at December 31, 2022	254,095,355.70	1,787,207.20	255,882,562.90
Changes in lease agreements during the year	-	-	-
As at December 31, 2023	254,095,355.70	1,787,207.20	255,882,562.90
<b>Accumulated depreciation: -</b>			
As at January 1, 2022	(24,789,790.73)	(613,235.04)	(25,403,025.77)
Depreciation for the year	(12,394,895.40)	(306,539.96)	(12,701,435.36)
As at December 31, 2022	(37,184,686.13)	(919,775.00)	(38,104,461.13)
Depreciation for the year	(12,394,895.39)	(306,152.53)	(12,701,047.92)
As at December 31, 2023	(49,579,581.52)	(1,225,927.53)	(50,805,509.05)
<b>Book value: -</b>			
As at December 31, 2022	216,910,669.57	867,432.20	217,778,101.77
As at December 31, 2023	204,515,774.18	561,279.67	205,077,053.85
<b>The depreciation in the statements of comprehensive income</b>			
For the year ended December 31, 2022			12,701,435.36
For the year ended December 31, 2023			12,701,047.92



13. Intangible assets

(Unit : Baht)

	Consolidated financial statements			
	Software	License	Software in process	Total
<b>Cost: -</b>				
As at January 1, 2022	24,678,492.23	17,608,530.80	2,804,833.39	45,091,856.42
Purchase	3,080,361.06	-	15,041,651.01	18,122,012.07
Transfer in	3,331,210.00	-	-	3,331,210.00
As at December 31, 2022	31,090,063.29	17,608,530.80	17,846,484.40	66,545,078.49
Purchase	1,588,434.00	-	22,231,180.00	23,819,614.00
As at December 31, 2023	32,678,497.29	17,608,530.80	40,077,664.40	90,364,692.49
<b>Amortized: -</b>				
As at January 1, 2022	(14,462,767.91)	(16,969,864.43)	-	(31,432,632.34)
Amortized for the year	(2,832,490.23)	(141,926.68)	-	(2,974,416.91)
As at December 31, 2022	(17,295,258.14)	(17,111,791.11)	-	(34,407,049.25)
Amortized for the year	(3,990,337.45)	(79,855.23)	-	(4,070,192.68)
As at December 31, 2023	(21,285,595.59)	(17,191,646.34)	-	(38,477,241.93)
<b>Book value: -</b>				
As at December 31, 2022	13,776,805.15	496,739.69	17,846,484.40	32,138,029.24
As at December 31, 2023	11,392,901.70	416,884.46	40,077,664.40	51,887,450.56

**The amortized in the statements of comprehensive income**

For the year ended December 31, 2022	2,974,416.91
For the year ended December 31, 2023	4,070,192.68



(Unit : Baht)

	Separate financial statements		
	Software	License	Total
<b>Cost: -</b>			
As at January 1, 2022	6,910,303.28	3,994,000.00	10,904,303.28
Purchase	283,810.00	-	283,810.00
As at December 31, 2022	7,194,113.28	3,994,000.00	11,188,113.28
Purchase	419,743.00	-	419,743.00
As at December 31, 2023	7,613,856.28	3,994,000.00	11,607,856.28
<b>Amortized: -</b>			
As at January 1, 2022	(6,454,458.03)	(3,892,997.37)	(10,347,455.40)
Amortized for the year	(459,490.70)	(66,847.29)	(526,337.99)
As at December 31, 2022	(6,913,948.73)	(3,959,844.66)	(10,873,793.39)
Amortized for the year	(415,983.84)	(10,924.01)	(426,907.85)
As at December 31, 2023	(7,329,932.57)	(3,970,768.67)	(11,300,701.24)
<b>Book value: -</b>			
As at December 31, 2022	280,164.55	34,155.34	314,319.89
As at December 31, 2023	283,923.71	23,231.33	307,155.04

**The amortized in the statements of comprehensive income**

For the year ended December 31, 2022	526,337.99
For the year ended December 31, 2023	426,907.85

13. Deferred tax assets (liabilities)

Deferred tax assets and liabilities as at December 31, 2023 and 2022 were as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets	59,352,407.39	57,248,838.55	40,509,369.24	38,753,742.62
Deferred tax liabilities	(2,828,985.08)	(18,815,600.01)	-	-
Net	56,523,422.31	38,433,238.54	40,509,369.24	38,753,742.62



Movements in total deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows: -

(Unit : Baht)

	Consolidated financial statements			
	January 1, 2023	(Charged)/credited to profit or loss (Note 24.1)	(Charged)/credited	December 31, 2023
			to profit or loss	
			(Note 24.2)	
<b>Deferred tax assets</b>				
Trade and other receivable	2,665,311.23	(360,000.00)	-	2,305,311.23
Inventories	1,643,493.34	(694,759.91)	-	948,733.43
Property, plant and equipment	(11,419,068.81)	(405,899.52)	-	(11,824,968.33)
Right-of-use assets	(97,137,970.78)	3,215,955.64	-	(93,922,015.14)
Lease liabilities	101,193,707.35	(2,409,580.39)	-	98,784,126.96
Employee benefit obligations	60,303,366.22	2,757,853.02	-	63,061,219.24
<b>Total</b>	<b>57,248,838.55</b>	<b>2,103,568.84</b>	<b>-</b>	<b>59,352,407.39</b>
<b>Deferred tax liabilities</b>				
Trade and other receivable	244,079.74	(7,764.89)	-	236,314.85
Inventories	2,278,451.80	15,500,063.09	-	17,778,514.89
Property, plant and equipment	(47,252,591.12)	(2,067,708.17)	-	(49,320,299.29)
Right-of-use assets	(9,570,408.79)	6,756,571.06	-	(2,813,837.73)
Lease liabilities	9,760,018.16	(6,760,855.76)	-	2,999,162.40
Employee benefit obligations	25,724,850.20	2,566,309.60	-	28,291,159.80
<b>Total</b>	<b>(18,815,600.01)</b>	<b>15,986,614.93</b>	<b>-</b>	<b>(2,828,985.08)</b>
<b>Net</b>	<b>38,433,238.54</b>	<b>18,090,183.77</b>	<b>-</b>	<b>56,523,422.31</b>

(Unit : Baht)

	Consolidated financial statements			
	January 1, 2022	(Charged)/credited to profit or loss (Note 24.1)	(Charged)/credited	December 31, 2022
			to profit or loss	
			(Note 24.2)	
<b>Deferred tax assets</b>				
Trade and other receivable	2,905,311.23	(240,000.00)	-	2,665,311.23
Inventories	791,032.11	852,461.23	-	1,643,493.34
Property, plant and equipment	(10,973,587.53)	(445,481.28)	-	(11,419,068.81)
Right-of-use assets	(101,097,964.49)	3,959,993.71	-	(97,137,970.78)
Lease liabilities	104,159,031.99	(2,965,324.64)	-	101,193,707.35
Employee benefit obligations	61,457,763.43	2,466,850.80	(3,621,248.01)	60,303,366.22
<b>Total</b>	<b>57,241,586.74</b>	<b>3,628,499.82</b>	<b>(3,621,248.01)</b>	<b>57,248,838.55</b>
<b>Deferred tax liabilities</b>				
Trade and other receivable	244,079.74	-	-	244,079.74
Inventories	2,132,734.81	145,716.99	-	2,278,451.80
Property, plant and equipment	(45,065,267.61)	(2,187,323.51)	-	(47,252,591.12)
Right-of-use assets	(8,931,692.56)	(638,716.23)	-	(9,570,408.79)
Lease liabilities	9,413,845.57	346,172.59	-	9,760,018.16
Employee benefit obligations	23,485,723.65	2,631,207.80	(392,081.25)	25,724,850.20
<b>Total</b>	<b>(18,720,576.40)</b>	<b>297,057.64</b>	<b>(392,081.25)</b>	<b>(18,815,600.01)</b>
<b>Net</b>	<b>38,521,010.34</b>	<b>3,925,557.46</b>	<b>(4,013,329.26)</b>	<b>38,433,238.54</b>



(Unit : Baht)

	Separate financial statements			
	January 1, 2023	(Charged)/credited to profit or loss (Note 24.1)	(Charged)/credited	
			to profit or loss	
			(Charged)/credited to profit or loss (Note 24.2)	comprehensive
			December 31, 2023	
<b>Deferred tax assets</b>				
Trade and other receivable	2,665,311.23	(360,000.00)	-	2,305,311.23
Inventories	811,118.97	(15,358.28)	-	795,760.69
Lease liabilities	45,802,521.53	(1,927,727.10)	-	43,874,794.43
Employee benefit obligations	42,934,147.14	1,964,840.27	-	44,898,987.41
<b>Total</b>	<b>92,213,098.87</b>	<b>(338,245.11)</b>	<b>-</b>	<b>91,874,853.76</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(9,903,735.89)	(446,337.87)	-	(10,350,073.76)
Lease liabilities	(43,555,620.36)	2,540,209.60	-	(41,015,410.76)
<b>Total</b>	<b>(53,459,356.25)</b>	<b>2,093,871.73</b>	<b>-</b>	<b>(51,365,484.52)</b>
<b>Net</b>	<b>38,753,742.62</b>	<b>1,755,626.62</b>	<b>-</b>	<b>40,509,369.24</b>

(Unit : Baht)

	Separate financial statements			
	January 1, 2022	(Charged)/credited to profit or loss (Note 24.1)	(Charged)/credited	
			to profit or loss	
			(Charged)/credited to profit or loss (Note 24.2)	comprehensive
			December 31, 2022	
<b>Deferred tax assets</b>				
Trade and other receivable	2,905,311.23	(240,000.00)	-	2,665,311.23
Inventories	704,452.72	106,666.25	-	811,118.97
Lease liabilities	47,480,033.13	(1,677,511.60)	-	45,802,521.53
Employee benefit obligations	40,674,814.28	1,532,175.92	727,156.94	42,934,147.14
<b>Total</b>	<b>91,764,611.36</b>	<b>(278,669.43)</b>	<b>727,156.94</b>	<b>92,213,098.87</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(9,464,855.71)	(438,880.18)	-	(9,903,735.89)
Lease liabilities	(45,912,215.90)	2,356,595.54	-	(43,555,620.36)
<b>Total</b>	<b>(55,377,071.61)</b>	<b>1,917,715.36</b>	<b>-</b>	<b>(53,459,356.25)</b>
<b>Net</b>	<b>36,387,539.75</b>	<b>1,639,045.93</b>	<b>727,156.94</b>	<b>38,753,742.62</b>

As at December 31, 2023 and 2022, the Group had temporary differences mainly arising from the unutilized tax losses carry forward totaling Baht 2,462.16 million and Baht 2,147.68 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).



## 15. Short-term loans from financial institutions

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trust receipt	528,333,725.07	406,546,053.32	-	-
Export loans	100,000,000.00	-	-	-
Promissory note	2,114,000,000.00	2,720,000,000.00	1,139,000,000.00	1,350,000,000.00
<b>Total</b>	<b>2,742,333,725.07</b>	<b>3,126,546,053.32</b>	<b>1,139,000,000.00</b>	<b>1,350,000,000.00</b>

As at December 31, 2023 and 2022, 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. 28.1 which bearing the interest rates at 1.92%-4.15% per annum for both years.

As at December 31, 2023, a subsidiary has export loans which bearing the interest rates 4.75% per annum, the above credit facilities are guaranteed by collateral with long-term loans as mentioned in the notes to financial statement No. 17.

Such credit facility line is pledged by mortgaged register of land, property and machinery as mentioned in the notes to financial statements No. 11. 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. 17. 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.

## 16. Trade and other payable

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payable-related parties	21,344,212.97	26,458,639.76	361,853,748.37	252,045,160.02
Trade payable-other parties	318,690,819.23	251,882,749.18	59,923,786.02	52,665,443.23
Other payable-related parties	206,626.76	5,073,245.54	13,624,975.24	52,925,951.87
Other payable-other parties	579,417,023.41	682,104,877.04	109,213,798.09	170,614,340.10
Accrued expenses-related parties	9,400.54	9,182.63	28,767.13	-
Accrued expenses-other parties	166,218,670.80	265,898,330.72	63,864,012.65	111,568,202.04
Others	12,802,737.33	14,378,158.17	6,369,529.81	9,657,541.17
<b>Total</b>	<b>1,098,689,491.04</b>	<b>1,245,805,183.04</b>	<b>614,878,617.31</b>	<b>649,476,638.43</b>

## 17. Long-term loans from financial institutions

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Long-term loan (Credit line of Baht 200 million)	-	48,000,000.00	-	48,000,000.00
Long-term loan (Credit line of Baht 2,200 million)	1,265,000,000.00	1,505,000,000.00	-	-
Long-term loan (Credit line of Baht 2,000 million)	1,585,000,000.00	1,780,000,000.00	-	-
Long-term loan (Credit line of Baht 750 million)	-	350,000,000.00	-	350,000,000.00
Long-term loan (Credit line of Baht 1,300 million)	831,000,000.00	1,041,000,000.00	-	-
Long-term loan (Credit line of Baht 500 million)	411,000,000.00	447,000,000.00	411,000,000.00	447,000,000.00
Long-term loan (Credit line of Baht 95 million)	-	21,500,000.00	-	21,500,000.00
Long-term loan (Credit line of Baht 600 million)	360,000,000.00	480,000,000.00	360,000,000.00	480,000,000.00
Long-term loan (Credit line of Baht 316 million)	283,000,000.00	295,000,000.00	283,000,000.00	295,000,000.00
Long-term loan (Credit line of Baht 145 million)	101,500,000.00	130,500,000.00	-	-
Long-term loan (Credit line of Baht 70 million)	17,350,000.00	40,750,000.00	-	-
Long-term loan (Credit line of Baht 90 million)	49,500,000.00	67,500,000.00	-	-
Long-term loan (Credit line of Baht 100 million)	75,000,001.03	100,000,000.00	75,000,001.03	100,000,000.00
Long-term loan (Credit line of Baht 50 million)	37,499,996.00	50,000,000.00	-	-
Long-term loan (Credit line of Baht 125 million)	100,000,000.00	120,000,000.00	100,000,000.00	120,000,000.00
Long-term loan (Credit line of Baht 91 million)	77,350,000.00	-	-	-
Long-term loan (Credit line of Baht 500 million)	466,140,000.00	-	466,140,000.00	-
<b>Total</b>	<b>5,659,339,997.03</b>	<b>6,476,250,000.00</b>	<b>1,695,140,001.03</b>	<b>1,861,500,000.00</b>
<u>Less</u> Current portion	<u>(1,026,050,003.96)</u>	<u>(1,415,400,003.96)</u>	<u>(570,999,999.96)</u>	<u>(632,499,999.96)</u>
<b>Net</b>	<b>4,633,289,993.07</b>	<b>5,060,849,996.04</b>	<b>1,124,140,001.07</b>	<b>1,229,000,000.04</b>

Movement for the year ended December 31, 2023 and 2022 was as follows: -

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning book value	6,476,250,000.00	7,260,150,000.00	1,861,500,000.00	2,159,500,000.00
Proceed during the year	577,140,000.00	275,000,000.00	486,140,000.00	225,000,000.00
Repaid during the year	(1,394,050,002.97)	(1,058,900,000.00)	(652,499,998.97)	(523,000,000.00)
<b>Ending book value</b>	<b>5,659,339,997.03</b>	<b>6,476,250,000.00</b>	<b>1,695,140,001.03</b>	<b>1,861,500,000.00</b>

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

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Within 1 year	1,026,050,003.96	1,415,400,003.96	570,999,999.96	632,499,999.96
Over 1 year but not over 5 years	3,856,149,992.17	4,680,849,996.04	1,092,000,001.07	1,209,000,000.04
Over 5 years	777,140,000.90	380,000,000.00	32,140,000.00	20,000,000.00
<b>Total</b>	<b>5,659,339,997.03</b>	<b>6,476,250,000.00</b>	<b>1,695,140,001.03</b>	<b>1,861,500,000.00</b>



Long-term loans of the Group are bearing the floating interest rate as at December 31, 2023 and 2022, the interest rates are 3.00%-6.17% per annum and 3.00%-4.79% 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	The first installment of principal must be made on the end of 24 <sup>th</sup> month period from the date of the initial drawdown (May 2016), and the following installments to be repaid quarterly, for 20 installments, for the 1 <sup>st</sup> -19 <sup>th</sup> 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.
2.            2,200.00	The first installment of principal must be made on the lower of the end of 24 <sup>th</sup> 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 1 <sup>st</sup> -19 <sup>th</sup> 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 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.
3.            2,000.00	The first installment of principal must be made on the lower of the end of 24 <sup>th</sup> 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.
4.            750.00	The first installment of principal must be made on the end of 3 <sup>rd</sup> month period from the date of the initial drawdown (December 2018), and the following installments to be repaid quarterly, for 20 installments, for the 1 <sup>st</sup> -19 <sup>th</sup> installments at Baht 37.50 million per installment and payment of all rest for the final

Credit facility

Repayment of principal

(Unit : Million Baht)

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.

5. 1,300.00 The first installment of principal must be made on the end of 6<sup>th</sup> month period from the date of the initial drawdown (May 2019), and the following installments to be repaid quarterly, for 22 installments, for the 1<sup>st</sup>-4<sup>th</sup> installments at Baht 19.50 million, for the 5<sup>th</sup>-8<sup>th</sup> installments at Baht 39.00 million, for the 9<sup>th</sup>-12<sup>th</sup> installments at Baht 58.50 million, for the 13<sup>th</sup>-16<sup>th</sup> installments at Baht 71.50 million, for the 17<sup>th</sup>-21<sup>th</sup> 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.
6. 500.00 The first installment of principal must be made on the end of 4<sup>th</sup> month period from the date of the initial drawdown (December 2019), and the following installments to be repaid quarterly, for 20 installments, for the 1<sup>st</sup> installment at Baht 5.00 million, for the 2<sup>nd</sup>-19<sup>th</sup> 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.
7. 95.00 The first installment of principal must be made on the end of 6<sup>th</sup> 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.
8. 600.00 The first installment of principal must be made on the end of 25<sup>th</sup> 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.
9. 316.00 The first installment of principal must be made on the end of 6<sup>th</sup> 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<sup>st</sup>-15<sup>th</sup> installments at Baht 3.00 million per installment, for the 16<sup>th</sup>-19<sup>th</sup> installments at Baht 67.00 million per installment and payment of all rest for the final installment.



Credit facility  
(Unit : Million Baht)

Repayment of principal

10.	145.00	The first installment of principal must be made on the end of 12 <sup>th</sup> 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 <sup>st</sup> -19 <sup>th</sup> installments at Baht 7.25 million per installment and payment of all rest for the final installment.
11.	70.00	The first installment of principal must be made on the end of 3 <sup>rd</sup> 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 <sup>st</sup> -11 <sup>th</sup> installments at Baht 5.85 million per installment and payment of all rest for the final installment.
12.	90.00	The first installment of principal must be made on the end of 3 <sup>rd</sup> 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 <sup>st</sup> -19 <sup>th</sup> installments at Baht 4.50 million per installment and payment of all rest for the final installment.
13.	100.00	The first installment of principal must be made on the end of 13 <sup>th</sup> month period from the date of drawdown (January 2022), and the following installments to be repaid quarterly, for 48 installments, for the 1 <sup>st</sup> -47 <sup>th</sup> installments at Baht 2.08 million per installment and payment of all rest for the final installment.
14.	50.00	The first installment of principal must be made on the end of 13 <sup>th</sup> month period from the date of drawdown (January 2022), and the following installments to be repaid quarterly, for 48 installments, for the 1 <sup>st</sup> -47 <sup>th</sup> installments at Baht 1.04 million per installment and payment of all rest for the final installment.
15.	125.00	The first installment of principal must be made on the end of 6 <sup>th</sup> month period from the date of the initial drawdown (November, 2022), and the following installments to be repaid quarterly, for 25 installments, for the 1 <sup>st</sup> -24 <sup>th</sup> installments at Baht 5.00 million per installment and payment of all rest for the final installment.
16.	91.00	The first installment of principal must be made on the end of 3 <sup>th</sup> month period from the date of the initial drawdown (March, 2023), and the following installments to be repaid quarterly, for 20 installments, for the 1 <sup>st</sup> -19 <sup>th</sup> installments at Baht 4.55 million per installment and payment of all rest for the final installment.
17.	500.00	The first installment of principal must be made on the end of 3 <sup>th</sup> month period from the date of the initial drawdown (September 2023), and the following installments to be repaid quarterly, for 24 installments, for the 1 <sup>st</sup> -4 <sup>th</sup> installments at Baht 10.00 million per installment, for the 5 <sup>th</sup> -23 <sup>th</sup> installments at Baht 23.00 million per installment and payment of all rest for the final installment.
18.	95.00	The first installment of principal must be made on the end of 6 <sup>th</sup> month period from the date of the initial drawdown (As at December 31, 2023 had not withdrawing loans), and the following installments to be repaid quarterly, for 14 installments, for the 1 <sup>st</sup> -13 <sup>th</sup> installments at Baht 6.80 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. 11 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 has 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.



## 18. Lease liabilities

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease liabilities-related parties	392,415,777.69	410,359,030.10	218,773,602.81	228,115,538.90
Lease liabilities-other parties	178,690,411.90	101,147,828.23	600,369.32	897,068.73
<b>Total lease liabilities</b>	<b>571,106,189.59</b>	<b>511,506,858.33</b>	<b>219,373,972.13</b>	<b>229,012,607.63</b>

Changes in the lease are liabilities for the years ended December 31, 2023 and 2022 as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease liabilities at the beginning of year	511,506,858.33	525,258,964.47	229,012,607.63	237,400,165.64
Increased during the year	98,038,107.78	21,628,237.09	-	-
Adjustment finance lease during the year	9,350,501.13	7,607,857.18	-	918,457.62
Repayment during the year	(47,789,277.65)	(42,988,200.41)	(9,638,635.50)	(9,306,015.63)
<b>Lease liabilities at the end of year</b>	<b>571,106,189.59</b>	<b>511,506,858.33</b>	<b>219,373,972.13</b>	<b>229,012,607.63</b>

A maturity analysis of lease payment at December 31, 2023 and 2022 are as follows :-

(Unit : Baht)

	<u>Consolidated financial statement</u>		
	<u>2023</u>		
	<u>Lease liabilities</u>	<u>Deferred interest expenses</u>	<u>Net</u>
Within 1 year	80,545,431.60	(22,157,422.89)	58,388,008.71
Over 1 year but not over 5 years	280,186,583.17	(65,304,278.60)	214,882,304.57
Over 5 years	373,014,415.00	(75,178,538.69)	297,835,876.31
<b>Total</b>	<b>733,746,429.77</b>	<b>(162,640,240.18)</b>	<b>571,106,189.59</b>

(Unit : Baht)

	<u>Consolidated financial statement</u>		
	<u>2022</u>		
	<u>Lease liabilities</u>	<u>Deferred interest expenses</u>	<u>Net</u>
Within 1 year	60,480,172.60	(19,720,391.22)	40,759,781.38
Over 1 year but not over 5 years	213,053,129.14	(63,244,131.84)	149,808,997.30
Over 5 years	408,673,550.00	(87,735,470.35)	320,938,079.65
<b>Total</b>	<b>682,206,851.74</b>	<b>(170,699,993.41)</b>	<b>511,506,858.33</b>



(Unit : Baht)

	<u>Separate financial statement</u>		
	<u>2023</u>		
	<u>Lease</u>	<u>Deferred</u>	
	<u>liabilities</u>	<u>interest expenses</u>	<u>Net</u>
Within 1 year	18,245,880.00	(8,205,798.53)	10,040,081.47
Over 1 year but not over 5 years	71,849,520.00	(28,840,179.56)	43,009,340.44
Over 5 years	205,791,120.00	(39,466,569.78)	166,324,550.22
Total	295,886,520.00	(76,512,547.87)	219,373,972.13

(Unit : Baht)

	<u>Separate financial statement</u>		
	<u>2022</u>		
	<u>Lease</u>	<u>Deferred</u>	
	<u>liabilities</u>	<u>interest expenses</u>	<u>Net</u>
Within 1 year	18,245,880.00	(8,580,244.50)	9,665,635.50
Over 1 year but not over 5 years	72,173,520.00	(30,456,046.76)	41,717,473.24
Over 5 years	223,686,000.00	(46,056,501.11)	177,629,498.89
Total	314,105,400.00	(85,092,792.37)	229,012,607.63

For the years ended December 31, 2023 and 2022, transactions related to leases were as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finance cost relating to lease	21,981,516.94	21,054,179.56	8,580,244.50	8,912,864.37
Finance cost relating to lease (included in the cost of the asset)	-	16,413.72	-	-
Expenses relating to short-term lease	49,488,220.31	41,840,386.01	-	-
Cash outflow for lease	69,770,794.59	64,058,793.69	18,218,880.00	18,218,880.00



## 19. Employee benefit obligations

Changes in the present value of the employee benefit obligations for the years ended December 31, 2023 and 2022 are as follows: -

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Employee benefit obligations as at January 1,	426,929,482.06	424,717,435.37	214,670,735.67	203,374,071.33
Current service cost	30,822,725.06	30,980,246.10	12,700,808.00	13,347,127.00
Past Service Cost	-	4,822,779.00	-	-
Interest cost	7,771,104.02	7,196,152.96	3,511,590.00	3,353,648.00
Employee benefit transfer cost	-	-	-	2,660,538.00
<u>Less</u> Repayment for the year	(7,195,756.99)	(20,720,485.00)	(6,388,196.66)	(11,700,433.33)
Actuarial (gain) loss arising from defined benefit plan	-	(20,066,646.37)	-	3,635,784.67
Employee benefit obligations as at December 31,	458,327,554.15	426,929,482.06	224,494,937.01	214,670,735.67

Expenses recognized in statements of comprehensive income are shown collectively for the years ended December 31, 2023 and 2022 are as follows: -

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Recognized in cost of assets</u>				
Property, plant and equipment	34,056.94	589,986.04	-	-
<u>Recognized in profit or loss</u>				
Cost of sales	31,418,100.84	30,815,487.90	12,897,650.00	12,698,999.00
Administrative expenses	4,743,967.67	8,290,884.16	2,201,086.00	5,667,675.00
Management benefit expenses	2,397,703.63	3,302,819.96	1,113,662.00	994,639.00
Total	38,559,772.14	42,409,192.02	16,212,398.00	19,361,313.00
<u>Recognized in other comprehensive income</u>				
Actuarial (gain) loss arising from defined benefit plan				
Financial assumptions changes	-	2,730,846.00	-	2,032,406.00
Demographic assumptions changes	-	8,553,376.00	-	2,756,137.00
Experience adjustments	-	(31,350,868.37)	-	(1,152,758.33)
	-	(20,066,646.37)	-	3,635,784.67

Principal actuarial assumptions as at December 31, 2023 and 2022 are as follows: -

	<u>Consolidated and separate financial statements</u>
Discount rate at the end of the years	0.51%-3.52%
Future salary increase	5.50%
Employee turnover rate	Age band

### 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Discount increase rate (1.0% movement)	(36,104,801.00)	(35,480,239.00)	(14,671,528.00)	(15,000,711.00)
Discount decrease rate (1.0% movement)	41,791,180.00	41,026,025.00	16,707,814.00	17,055,027.00
Rate of salary growth increase (1.0% movement)	48,747,722.00	43,575,986.00	20,143,805.00	18,408,424.00
Rate of salary growth decrease (1.0% movement)	(42,554,560.00)	(38,217,888.00)	(17,880,221.00)	(16,402,794.00)
Employee turnover increase rate (20.0% movement)	(16,099,005.00)	(13,912,280.00)	(5,941,130.00)	(5,225,514.00)
Employee turnover decrease rate (20.0% movement)	18,125,663.00	15,570,079.00	6,650,627.00	5,819,300.00

## 20. Share capital

The movement of share capital for the years ended on December 31, 2023 and 2022 is as follows: -

	<u>Consolidated and separate financial statements</u>			
	<u>2023</u>		<u>2022</u>	
	Number of share	Amount	Number of share	Amount
	<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	1,735,237,480	1,735,237,480.00	1,735,237,480	1,735,237,480.00
Reduce share capital during the year	-	-	-	-
Ending ordinary shares	1,735,237,480	1,735,237,480.00	1,735,237,480	1,735,237,480.00
Issued and paid-up share capital (Par value at 1.00 Baht)				
Beginning ordinary shares	1,735,237,480	1,735,237,480.00	1,735,237,480	1,735,237,480.00
Plus share capital during the year	-	-	-	-
Ending ordinary shares	1,735,237,480	1,735,237,480.00	1,735,237,480	1,735,237,480.00



## 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, 2023 and 2022, in the consolidated financial statements, the debt to equity ratio is 1.53 : 1 and 1.69 : 1 respectively, and separate financial statements debt to equity ratio is 0.56 : 1 and 0.63 : 1 respectively.

### 21. 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. Thus, the Company has already allocated legal reserve equal to 10% of registered capital of the Company in compliance with the requirement of the law.

### 22. Dividend paid

Dividend	Approved by	Dividend paid (Unit : Thousand Baht)	Dividend paid per share (Baht)	Date of dividend payment
Payment announced from the profit of the year 2022	The Annual 2023 General Meeting of shareholders' held on April 24, 2023	173,518	0.10	May 17, 2023
Payment announced from the profit of the year 2021	The Annual 2022 General Meeting of shareholders' held on April 27, 2022	520,571	0.30	May 17, 2022
Payment announced from the interim profit of the year 2022	The Board of Directors meeting No. 3/2022 held on August 5, 2022	173,522	0.10	September 2, 2022
		694,093		

## 23. 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Change in finished goods and work in process	358,662,595.65	(463,606,383.04)	145,233,012.99	(153,283,244.08)
Raw material and supplied used	6,083,523,314.82	6,371,515,306.66	2,619,743,920.20	2,768,346,129.57
Loss on diminution in value of inventories (reversal)	64,065,871.67	5,569,112.02	(3,282,052.57)	3,282,515.56
Loss on diminution in value of non-movement inventories (reversal)	322,845.40	(441,035.45)	322,845.40	(441,035.45)
Cost of testing	21,785,599.27	-	21,785,599.27	-
Energy cost	1,911,908,983.39	1,559,279,313.84	576,658,651.91	495,197,997.11
Management benefit expenses	88,404,526.80	100,653,685.47	32,436,676.67	33,329,038.00
Employee related expenses	1,445,547,588.21	1,319,816,168.45	580,323,175.02	559,635,421.62
Depreciation and amortization expenses	1,158,684,714.64	1,147,564,479.20	245,901,372.36	246,233,014.18
Transportation expenses	938,979,017.71	841,268,181.54	336,962,272.73	262,911,447.79
Repair expenses	725,881,671.81	647,720,683.56	184,837,735.10	196,458,384.85
Finance cost	422,449,262.46	329,627,728.69	130,627,279.58	110,557,931.01
Other expenses	911,656,006.69	582,541,769.16	283,840,040.79	174,748,114.69
<b>Total</b>	<b>14,131,871,988.52</b>	<b>12,441,509,010.10</b>	<b>5,155,390,529.45</b>	<b>4,696,975,714.85</b>

## 24. Income tax expenses

### 24.1 Tax revenues recognized in profit or loss

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Tax revenues recognized in profit or loss</u>				
Current tax expenses	86,944,423.53	97,891,241.73	71,871,691.55	82,313,740.14
Deferred tax expenses (Note 14)				
Movements in temporary differences	(18,090,183.77)	(3,925,557.46)	(1,755,626.62)	(1,639,045.93)
<b>Income tax expenses</b>	<b>68,854,239.76</b>	<b>93,965,684.27</b>	<b>70,116,064.93</b>	<b>80,674,694.21</b>



## 24.2 Income tax is recognized in other comprehensive income

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Actuarial (gain) loss arising from defined benefit plan	-	(20,066,646.37)	-	3,635,784.67
Applicable tax rate	0%	20%	0%	20%
Income tax relevance with other comprehensive income (Note 14)	-	4,013,329.26	-	(727,156.94)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended December 31, 2023 and 2022 as follows: -

(Unit : Baht)

	<u>Separate financial statements</u>					
	2023		Total	2022		Total
Accounting profit before tax	(2,632,806.66)	498,556,613.94	495,923,807.28	231,233,768.08	475,369,174.66	706,602,942.74
Applicable tax rate	0 %	20 %		0 %	20 %	
Accounting profit before tax multiplied by applicable tax rate	-	99,711,322.79	99,711,322.79	-	95,073,834.93	95,073,834.93
Adjustment in respect of current income tax of previous year effects of changes in the applicable tax rates effects of:						
Dividend granted income tax exemption	-	(28,827,998.65)	(28,827,998.65)	-	(19,409,737.04)	(19,409,737.04)
Employee benefit	-	936,623.38	936,623.38	-	898,760.55	898,760.55
Others	-	51,744.03	51,744.03	-	5,750,881.70	5,750,881.70
Total	-	71,871,691.55	71,871,691.55	-	82,313,740.14	82,313,740.14
Changes in temporary differences	-	(1,755,626.62)	(1,755,626.62)	-	(1,639,045.93)	(1,639,045.93)
Income tax revenues reported in statements of comprehensive income	-	70,116,064.93	70,116,064.93	-	80,674,694.21	80,674,694.21

## 25. Basic earnings per share

Basic earnings per share is calculated by dividing profit 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit for the year (Unit : Baht)	26,658,755.52	716,689,877.58	425,807,742.35	625,928,248.53
The number of issued and paid-up ordinary shares (Unit : Shares)	1,735,237,480	1,735,237,480	1,735,237,480	1,735,237,480
Earnings per share (Baht/share)	0.02	0.41	0.25	0.36

## 26. 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, 2023 and 2022 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net sales-domestic	2,876.83	2,961.58	2,255.67	2,328.98	212.23	257.40	573.89	511.13	(3,638.94)	(3,804.11)	2,279.68	2,254.98
Net sales-export	11,868.51	10,882.65	-	-	-	-	-	-	-	-	11,868.51	10,882.65
Total	14,745.34	13,844.23	2,255.67	2,328.98	212.23	257.40	573.89	511.13	(3,638.94)	(3,804.11)	14,148.19	13,137.63
Profit (loss) by segment	2,118.70	2,518.27	250.59	181.36	3.80	(2.97)	249.98	158.48	(297.14)	(271.28)	2,325.93	2,583.86
Other income											97.48	140.27
Selling and administrative expense											(1,887.17)	(1,558.12)
Profit from operating activities											536.24	1,166.01
Finance cost											(422.45)	(329.63)
Profit before income tax											113.79	836.38
Income tax revenues											(68.85)	(93.96)
Comprehensive income for the period											44.94	742.42
<u>As at December 31,</u>												
Property, plant and equipment											12,030.87	12,661.57
Depreciation											1,103.85	1,094.79
Total assets											18,568.11	20,127.95

For the years ended December 31, 2023 the Group has 1 major customer sales, has sales amount of more than 10% of the revenues from sale, amount of total sales of Baht 1,403.48 million, and for the years ended December 31, 2022 the Group has no major customer sales, amount of more than 10% of the revenues from sale.

## 27. 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.



## 27.1 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.

## 27.2 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, 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarized below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	15,451	19,727	6,443	1,863	34.18	34.51
EUR	-	-	5,353	5,650	38.40	37.21
CHF	-	-	4	13	41.05	37.78
SEK	-	-	4	4	3.48	3.34

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
USD	3,902	4,613	558	382	34.18	34.51
EUR	-	-	50	15	38.40	37.21
CHF	-	-	-	3	41.05	37.78

#### 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, 2023 and 2022, are as follows :-

		Effect on profit (loss) before tax increase (decrease)					
Currency	Change in FX rate	Consolidated				Separate	
		financial statements		financial statements		financial statements	
		2023	2022	2023	2022	2023	2022
	2023	2022	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	
USD	+3.0	+3.0	9,099	18,354	3,400	4,348	
	-3.0	-3.0	(9,099)	(18,354)	(3,400)	(4,348)	
EUR	+3.0	+3.0	(6,166)	(6,306)	(63)	(17)	
	-3.0	-3.0	6,166	6,306	63	17	



## 27.3 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, 2023 and 2022, 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							
2023							
	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				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	594,144,540.49	40,924,770.45	635,069,310.94	0.15-0.60
Trade and other receivables	-	-	-	-	980,684,849.17	980,684,849.17	-
Other current financial assets	-	-	-	221,000,000.00	-	221,000,000.00	0.15-0.60
Revenue Department receivable	-	-	-	-	316,859,450.70	316,859,450.70	-
	-	-	-	815,144,540.49	1,338,469,070.32	2,153,613,610.81	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	2,742,333,725.07	-	-	-	-	2,742,333,725.07	3.33-5.25
Trade and other payables	-	-	-	-	1,098,689,491.04	1,098,689,491.04	-
Long-term loans from financial institutions	37,500,003.96	74,999,993.07	-	5,546,840,000.00	-	5,659,339,997.03	3.50-6.17
Lease liabilities	58,388,008.71	214,882,304.57	297,835,876.31	-	-	571,106,189.59	3.00-4.50
	2,838,221,737.74	289,882,297.64	297,835,876.31	5,546,840,000.00	1,098,689,491.04	10,071,469,402.73	

(Unit : Baht)

Consolidated financial statement							
2022							
	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				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,363,916,864.32	(8,364,890.78)	1,355,551,973.54	0.10-0.38
Trade and other receivables	-	-	-	-	1,213,296,016.47	1,213,296,016.47	-
Revenue Department receivable	-	-	-	-	324,439,634.98	324,439,634.98	-
	-	-	-	1,363,916,864.32	1,529,370,760.67	2,893,287,624.99	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	3,126,546,053.32	-	-	-	-	3,126,546,053.32	1.92-2.92
Trade and other payables	-	-	-	-	1,245,805,183.04	1,245,805,183.04	-
Long-term loans from financial institutions	37,500,003.96	112,499,996.04	-	6,326,250,000.00	-	6,476,250,000.00	3.00-4.87
Lease liabilities	40,759,781.38	149,808,997.30	320,938,079.65	-	-	511,506,858.33	3.25-4.50
	3,204,805,838.66	262,308,993.34	320,938,079.65	6,326,250,000.00	1,245,805,183.04	11,360,108,094.69	



(Unit : Baht)

## Separate financial statement

2023

	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				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	327,228,063.18	10,951,447.71	338,179,510.89	0.15-0.60
Trade and other receivables	-	-	-	-	556,522,044.31	556,522,044.31	-
Revenue Department receivable	-	-	-	-	151,704,157.85	151,704,157.85	-
Other current financial assets	111,300,000.00	-	-	-	-	111,300,000.00	0.15-0.60
Short-term loans from related parties	20,000,000.00	-	-	-	-	20,000,000.00	3.50
	131,300,000.00	-	-	327,228,063.18	719,177,649.87	1,177,705,713.05	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	1,139,000,000.00	-	-	-	-	1,139,000,000.00	3.70-5.25
Trade and other payables	-	-	-	-	614,878,617.31	614,878,617.31	-
Long-term loans from financial institutions	24,999,999.96	75,000,000.04	-	1,620,140,000.00	-	1,695,140,001.03	-
Lease liabilities	10,040,081.47	43,009,340.44	166,324,550.22	-	-	219,373,972.13	3.71
	1,174,040,081.43	93,009,341.51	166,324,550.22	1,620,140,000.00	614,878,617.31	3,668,392,590.47	

(Unit : Baht)

## Separate financial statement

2022

	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				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	439,360,013.00	9,392,978.18	448,752,991.18	0.10-0.38
Trade and other receivables	-	-	-	-	738,172,945.06	738,172,945.06	-
Revenue Department receivable	-	-	-	-	160,291,728.08	160,291,728.08	-
Short-term loans from related parties	45,000,000.00	-	-	-	-	45,000,000.00	3.50
	45,000,000.00	-	-	439,360,013.00	907,857,651.32	1,392,217,664.32	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	1,350,000,000.00	-	-	-	-	1,350,000,000.00	1.47-3.25
Trade and other payables	-	-	-	-	649,476,638.43	649,476,638.43	-
Long-term loans from financial institutions	24,999,999.96	75,000,000.04	-	1,761,500,000.00	-	1,861,500,000.00	3.00-4.87
Lease liabilities	9,665,635.50	41,717,473.24	177,629,498.89	-	-	229,012,607.63	3.71-3.82
	1,384,665,635.46	116,717,473.28	177,629,498.89	1,761,500,000.00	649,476,638.43	4,089,989,246.06	

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 2023 and 2022, with all other variables held constant.



Increase/Decrease		Consolidated financial statements		Consolidated financial statements	
		Effect on profit (loss) before tax		Effect on profit (loss) before tax	
2023	2022	2023	2022	2023	2022
%	%	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
+0.25	+0.25	(14,148)	(16,066)	(4,238)	(4,654)
-0.25	-0.25	14,148	16,066	4,238	4,654

#### 27.4 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, 2023 and 2022, based on contractual undiscounted cash flows :-

(Unit : Baht)

	Consolidated financial statement			
	2023			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	2,742,333,725.07	-	-	2,742,333,725.07
Trade and other payables	1,098,689,491.04	-	-	1,098,689,491.04
Long-term loans from financial institutions	1,026,050,003.96	3,856,149,992.17	777,140,000.90	5,659,339,997.03
Lease liabilities	58,388,008.71	214,882,304.57	297,835,876.31	571,106,189.59
<b>Total non-derivatives</b>	<b>4,925,461,228.78</b>	<b>4,071,032,296.74</b>	<b>1,074,975,877.21</b>	<b>10,071,469,402.73</b>

(Unit : Baht)

	Consolidated financial statement			
	2022			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	3,126,546,053.32	-	-	3,126,546,053.32
Trade and other payables	1,245,805,183.04	-	-	1,245,805,183.04
Long-term loans from financial institutions	1,415,400,003.96	4,680,849,996.04	380,000,000.00	6,476,250,000.00
Lease liabilities	40,759,781.38	149,808,997.30	320,938,079.65	511,506,858.33
<b>Total non-derivatives</b>	<b>5,828,511,021.70</b>	<b>4,830,658,993.34</b>	<b>700,938,079.65</b>	<b>11,360,108,094.69</b>

(Unit : Baht)

	Separate financial statements			
	2023			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	1,139,000,000.00	-	-	1,139,000,000.00
Trade and other payables	614,878,617.31	-	-	614,878,617.31
Long-term loans from financial institutions	570,999,999.96	1,092,000,001.07	32,140,000.00	1,695,140,001.03
Lease liabilities	10,040,081.47	43,009,340.44	166,324,550.22	219,373,972.13
<b>Total non-derivatives</b>	<b>2,334,918,698.74</b>	<b>1,135,009,341.51</b>	<b>198,464,550.22</b>	<b>3,668,392,590.47</b>

(Unit : Baht)

	Separate financial statements			
	2022			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>				
Short-term loans from financial institutions	1,350,000,000.00	-	-	1,350,000,000.00
Trade and other payables	649,476,638.43	-	-	649,476,638.43
Long-term loans from financial institutions	632,499,999.96	1,209,000,000.04	20,000,000.00	1,861,500,000.00
Lease liabilities	9,665,635.50	41,717,473.24	177,629,498.89	229,012,607.63
<b>Total non-derivatives</b>	<b>2,641,642,273.89</b>	<b>1,250,717,473.28</b>	<b>197,629,498.89</b>	<b>4,089,989,246.06</b>

## 27.5 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)

Financial liabilities	Consolidated financial statement				Fair value hierarchy
	2023		2022		
	Carrying amount	Fair value	Carrying amount	Fair value	
Long-term loans from financial institutions	5,659,339,997.03	6,051,095,151.89	6,476,250,000.00	6,411,027,829.70	Level 2



(Unit : Baht)

Financial liabilities	Separate financial statement				Fair value hierarchy
	2023		2022		
	Carrying amount	Fair value	Carrying amount	Fair value	
Long-term loans from financial institutions	1,695,140,001.13	1,772,708,468.35	1,861,500,000.00	1,922,688,082.07	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.

## 28. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2023 and 2022, the Group held other obligations as follows :-

### 28.1 Obligation of credit lines for loans from financial institutions

	Currency (Unit : Million)	Consolidated financial statements					
		2023			2022		
		Total	Utilized	Available	Total	Utilized	Available
<u>The Company's credit line</u>							
Letters of guarantee	Baht	260.00	131.78	128.22	231.00	121.60	109.40
Letters of credit and trust receipt	Baht	725.00	473.06	251.94	765.00	319.28	445.72
Letters of credit and trust receipt and letters of guarantee	Baht	500.00	-	500.00	500.00	-	500.00
Bank overdrafts	Baht	235.00	-	235.00	260.00	-	260.00
Short-term loans	Baht	3,850.00	2,214.00	1,636.00	3,870.00	2,720.00	1,150.00
Long-term loans	Baht	595.00	486.14	108.86	220.00	125.00	95.00
Forward foreign exchange contract	Baht	1,954.00	-	1,954.00	2,154.00	-	2,154.00
Forward foreign exchange contract	USD	19.00	-	19.00	19.00	-	19.00
Packing credit	Baht	90.00	-	90.00	110.00	-	110.00
<u>The Group's credit line</u>							
Letters of credit and trust receipt and packing credit	Baht	575.00	109.42	465.58	575.00	96.55	478.45

	<u>Currency</u>	<u>Separate financial statements</u>					
		<u>2023</u>			<u>2022</u>		
		<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
<u>The Company's credit line</u>							
Letters of guarantee	Baht	85.00	56.49	28.51	50.00	44.71	5.29
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	1,139.00	621.00	1,760.00	1,350.00	410.00
Long-term loans	Baht	500.00	486.14	13.86	125.00	125.00	-
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	16.90	558.10	575.00	-	575.00

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 for both years.

The above credit facilities are guaranteed by the collaterals as mentioned in the note to financial statements No. 15 and 17.

- 28.2 The Group entered into agreements to property, plant and equipment, have remaining obligations under several subcontractors as follow: -

	<u>Currency</u>	<u>Consolidated financial statements</u>					
		<u>2023</u>			<u>2022</u>		
		<u>Contractual amount</u>	<u>Paid</u>	<u>Outstanding contractual obligation</u>	<u>Contractual amount</u>	<u>Paid</u>	<u>Outstanding contractual obligation</u>
	(Unit : Million)						
Baht		70.91	61.23	9.68	117.02	29.28	87.74
USD		-	-	-	1.35	1.29	0.06

	<u>Currency</u>	<u>Separate financial statements</u>					
		<u>2023</u>			<u>2022</u>		
		<u>Contractual amount</u>	<u>Paid</u>	<u>Outstanding contractual obligation</u>	<u>Contractual amount</u>	<u>Paid</u>	<u>Outstanding contractual obligation</u>
	(Unit : Million)						
Baht		63.57	60.25	3.32	81.68	19.80	61.88



28.3 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 1 consecutive payments, the subsidiary must pledge cash or the letter of guarantee issued by a bank in the amount of two times of the said outstanding monthly gas.

## 29. 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, 2023
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. 2, 2019	Feb. 1, 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	Jun. 16, 2020	Jun. 15, 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)	Dec. 22, 2021	Dec. 21, 2024
65-1508-1-04-1-0	Dec 1, 2022	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. 2, 2022	Dec. 1, 2025

### 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
60-0881-1-00-1-0	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)

	<u>For the year ended December 31, 2023</u>		
	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	2,265,720,828.06	3,167,915,339.95	
Cost of sales	(1,931,574,370.84)	(2,469,323,634.05)	(4,400,898,004.89)
Gross profit	334,146,457.22	698,591,705.90	1,032,738,163.12
Dividend income from subsidiaries	-	144,139,993.25	144,139,993.25
Gain from exchange rate	5,235,371.89	12,709,896.82	17,945,268.71
Other income	7,397,666.60	48,195,240.16	55,592,906.76
Selling expenses and distribution expenses	(203,401,188.36)	(196,503,346.25)	(399,904,534.61)
Administrative expenses	(87,099,340.15)	(136,861,370.22)	(223,960,710.37)
Profit from operating activities	56,278,967.20	570,272,119.66	626,551,086.86
Finance cost	(58,911,773.86)	(71,715,505.72)	(130,627,279.58)
Profit (loss) before income tax	(2,632,806.66)	498,556,613.94	495,923,807.28
Income tax expenses	-	(70,116,064.93)	(70,116,064.93)
Profit (loss) for the year	(2,632,806.66)	428,440,549.01	425,807,742.35

(Unit : Baht)

	<u>For the year ended December 31, 2022</u>		
	<u>Activities with</u>	<u>Activities without</u>	<u>Total</u>
	<u>Investment</u>	<u>Investment</u>	
	<u>Promotional benefits</u>	<u>Promotional benefits</u>	
Revenue from sales	2,376,741,502.95	2,866,357,740.23	
Cost of sales	(1,885,008,845.82)	(2,140,985,585.94)	(4,025,994,431.76)
Gross profit	491,732,657.13	725,372,154.29	1,217,104,811.42
Dividend income from subsidiaries	-	97,048,685.20	97,048,685.20
Gain from exchange rate	8,352,608.60	13,142,444.09	21,495,052.69
Other income	9,704,072.52	32,231,604.00	41,935,676.52
Selling expenses and distribution expenses	(134,246,160.28)	(194,598,856.83)	(328,845,017.11)
Administrative expenses	(91,850,573.38)	(139,727,761.59)	(231,578,334.97)
Profit from operating activities	283,692,604.59	533,468,269.16	817,160,873.75
Finance cost	(52,458,836.51)	(58,099,094.50)	(110,557,931.01)
Profit before income tax	231,233,768.08	475,369,174.66	706,602,942.74
Income tax revenues	-	(80,674,694.21)	(80,674,694.21)
Profit for the year	231,233,768.08	394,694,480.45	625,928,248.53



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.

30. Approval of financial statements

These consolidated and separate financial statements were authorized for issue by the Company's authorized director on February 22, 2024.

# 04



## **Certification of the accuracy of information**



Part 4

Certification of the accuracy of information Form 56-1 One Report

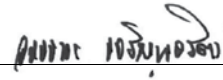

The Company has reviewed the information on this 56-1 One Report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

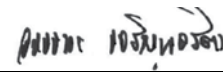
(1) The financial statements and financial information summarized in this annual registration statement /annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;

(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 2023 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 Jaroennawat to sign on every page of the documents, and the absence of the authorized signature of Mr. Wanthana Jaroennawat on any document shall be deemed that such unsigned document has not been certified by the Company.

Name - Surname	Position	Signature
1. Mr. Wanthana Jaroennawat	Managing Director	
2. Mr. Patta Sahawat	Director	

Name - Surname	Position	Signature
<u>Attorney</u> Mr. Wanthana Jaroennawat	Managing Director	





## Attachments



## 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)	71	
Position	<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors</li> <li>• Authorized Director</li> </ul>	
Date of appointment as a Director	1 November 1994	
Education	<ul style="list-style-type: none"> <li>• Diploma mechanical, Fachhochschule Dortmund, Germany</li> </ul>	
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2004, Thai Institution of Directors Association (IOD)</li> </ul>	
Number of shares held in the company	None	
Shareholding (%)	None	
Family Relationship between Executives	<ul style="list-style-type: none"> <li>• Father of Mr.Sittiwat Sahawat</li> <li>• Uncle of Mr.Wanthana Jaroennawarat</li> <li>• Uncle of Mr.Patta Sahawat</li> <li>• Uncle of Ms.Phattra Sahawat</li> <li>• Uncle of Mr.Somprasong Sahawat</li> </ul>	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company</u>
2019 - Present	Chairman of the Board of Directors	Vanachai Logistics Co., Ltd.
2017 - Present	Chairman of the Board of Directors	Vanachai Woodsmith Co., Ltd.
2015 - Present	Chairman of the Board of Directors	Vanachai Energy Industries Co., Ltd.
2014 - Present	Director	PV Wood Co., Ltd.
2008 - Present	Honorary Advisor	The Thai Furniture Industries Association
2005 - Present	Chairman of the Board of Directors	Vanachai Group PCL.
	Chairman of the Board of Directors	Vanachai Panel Industries Co., Ltd.
	Chairman of the Board of Directors	Vanachai Chemical Industries Co., Ltd.
	Chairman of the Board of Directors	Woodtek International Co., Ltd.
	Chairman of the Board of Directors	Particle Planner Co., Ltd.
2005 - 2 Jul. 2020	Chairman of the Board of Directors	The Vanachai Group of Companies Co., Ltd.
Criminal - Free Track record for the past 10 years	None	



## 2. Police General Soontorn Saikwan

Age (year)	79	
Position	<ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Audit Committee</li> </ul>	
Date of appointment as a Director	19 April 2005	
Education	<ul style="list-style-type: none"> <li>• MA - Political Science, Ramkhumhaeng University</li> <li>• (MFM, MIA, MIR, MFR)/2013, ACP/2013, Thai Institution of Directors Association (IOD)</li> </ul>	
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2005, Thai Institution of Directors Association (IOD)</li> </ul>	
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</u>
2013 - Present	Vice Chairman Independent Director Audit Committee	Millcon Steel PCL.
2012 - 22 Apr. 2022	Chairman of the Board of Directors Independent Director	PTG Energy PCL.
2023 - Present	Audit Committee	Vanachai Group PCL.
2005 - Present	Independent Director	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None	



### 3. Mr. Seubtrakul Soonthornthum

Age (year)	81	
Position	<ul style="list-style-type: none"> <li>• Vice Chairman</li> <li>• Director</li> <li>• Independent Director</li> </ul>	
Date of appointment as a Director	1 November 1994	
Education	<ul style="list-style-type: none"> <li>• MBIM, Hon Dlitt, Curtin University</li> <li>• PMD, Harvard University, USA.</li> </ul>	
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2004, Thai Institute of Directors Association (IOD)</li> </ul>	
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</u>
2020 - Present	Vice Chairman	Loxley PCL.
2017 - Present	Vice Chairman of the Executive Board	Loxley PCL.
2007 - 2017	Senior Executive Vice President	Loxley PCL.
1993 - Present	Director	Loxley PCL.
2016 - Present	Chairman of the Audit Committee Independent Director	Phatra Leasing PCL.
2021 - Present	Director	UOB BANK PCL.
2004 - 2021	Independent Director	UOB BANK PCL.
2000 - Present	Chairman	Muang Thai Real Estate PCL.
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.
2021 - Present	Chairman of Advisory Board / Board of Directors	Muang Thai Life Assurance PCL.
1987 - 2021	Independent Director	Muang Thai Life Assurance PCL.
Criminal - Free Track record for the past 10 years	None	



#### 4. Mr. Kraithip Krairiksh

Age (year)	69	
Position	<ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Chairman of the Audit Committee</li> </ul>	
Date of appointment as a Director	12 December 2008	
Education	<ul style="list-style-type: none"> <li>• Master of Economics, Tufts University, USA.</li> <li>• CGI/2015, Thai Institute of Directors Association (IOD)</li> <li>• DAP/2005, Thai Institute of Directors Association (IOD)</li> <li>• Defense Joint State-Private, Class16</li> </ul>	
Director Training Program		
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</u>
2017 - Present	Independent Director, Audit Committee Chairman of the Nomination and Remuneration Committee Corporate Governance Committee	Major Cineplex Group PCL.
2015 - 2016	Independent Director, Audit Committee Member of the Nomination and Remuneration Committee	Major Cineplex Group PCL.
2013 - Present	Chairman of the Board of Directors Independent Director Chairman of the Audit Committee	Pace Development Corporation PCL.
2009 - 2022	Independent Director Audit Committee	Samitivej PCL.
2009 - Present	Chairman of the Board of Directors Independent Director	Krungthai XSpring Securities Co., Ltd.
2023 - Present	Chairman of the Audit Committee	Vanachai Group PCL.
2008 - Present	Independent Director Audit Committee	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None	



## 5. Police General Visanu Prasattongsoth

Age (year)	61	
Position	<ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Audit Committee</li> </ul>	
Date of appointment as a Director	7 November 2023	
Education	<ul style="list-style-type: none"> <li>• Master of Business Administration, University of San Francisco, USA</li> <li>• Master of Political Sciences, Sukhothai Thammathirat Open University</li> <li>• Bachelor of Arts (Economics), Vanderbilt University, USA</li> <li>• Certificate, National Defence Course (NDC53), The National Defence College</li> <li>• Capital Market Academy Executive Program (Class No.2), Capital Market Academy, SET</li> <li>• CGI 3/2015, Thai Institute of Directors Association (IOD)</li> <li>• AACP 20/2015, Thai Institute of Directors Association (IOD)</li> <li>• ACP 7/2005, Thai Institute of Directors Association (IOD)</li> <li>• FND 19/2005, Thai Institute of Directors Association (IOD)</li> <li>• DAP 11/2004, Thai Institute of Directors Association (IOD)</li> </ul>	
Director Training Program	<ul style="list-style-type: none"> <li>• CGI 3/2015, Thai Institute of Directors Association (IOD)</li> <li>• AACP 20/2015, Thai Institute of Directors Association (IOD)</li> <li>• ACP 7/2005, Thai Institute of Directors Association (IOD)</li> <li>• FND 19/2005, Thai Institute of Directors Association (IOD)</li> <li>• DAP 11/2004, Thai Institute of Directors Association (IOD)</li> </ul>	
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</u>
29 Nov. 2023 - Present	Chairman of the Board of Directors	Airports of Thailand PCL.
7 Nov. 2023 - Present	Independent Director Audit Committee	Vanachai Group PCL.
2022 - Present	Independent Director	BCPG PCL.
	Chairman of Enterprise-wide Risk Management Committee	

<u>Period</u>	<u>Position</u>	<u>Name / Company</u>
23 Mar. 2022 - Present	Independent Director Chairman of Audit Committee	Finansia X PCL.
2020 - 2023	Senior Inspector General	Royal Thai Police
2018 - Present	Independent Director	Chewathai PCL.
2009 - Present	Independent Director Chairman of Audit Committee	Finansia Syrus Securities PCL.
2000 - 7 Sep. 2023	Director	Bangkok Airway PCL.
Criminal - Free Track record for the past 10 years		None

## 6. Mr. Praphan Anaman

Age (year)	72	
Position	<ul style="list-style-type: none"> <li>• Director</li> <li>• Independent Director</li> <li>• Audit Committee</li> </ul>	
Date of appointment as a Director	7 November 2023	
Education	<ul style="list-style-type: none"> <li>• Thai Barrister at Law, Institute of Legal Education of The Thai Bar</li> <li>• Bachelor of Laws, Thammasat University</li> <li>• Administrative Justice for Executives Program (Class no.14), The Office of the Administrative Courts of Thailand</li> <li>• DAP 328/2022, Thai Institute of Directors Association (IOD)</li> </ul>	
Director Training Program		
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</u>
7 Nov. 2023 - Present	Independent Director Audit Committee	Vanachai Group PCL.
2022 - Present	Independent Director	King Pac Industrial Co., Ltd.
2018 - 2021	Senior Justice of the Court of Appeal	The Court of Appeal
Criminal - Free Track record for the past 10 years		None



## 7. Ms. Yupaporn Boongate

Age (year)	69	
Position	<ul style="list-style-type: none"> <li>• Vice Chairman</li> <li>• Director</li> <li>• Authorized Director</li> </ul>	
Date of appointment as a Director	4 January 1995	
Education	• Maetee Chuhawan College	
Director Training Program	• 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</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)	63
Position	<ul style="list-style-type: none"><li>• Director</li><li>• Managing Director</li><li>• Authorized Director</li><li>• Executive Chairman</li></ul>
Date of appointment as a Director	1 November 1994
Education	<ul style="list-style-type: none"><li>• Honorary Doctor of philosophy (Industrial Engineering), King Mongkut's University of Technology North Bangkok</li><li>• Honorary Doctoral Degree in Industrial Design, Rajamangala University of Technology Tawan-ok</li><li>• Master of Engineering Faculty of Engineering, King Mongkut's University of Technology North Bangkok</li><li>• Modern Leaders Development in Jurisprudence and Development (RoLD 2022 : Beyond Leadership), Thailand Institute of Justice</li><li>• Top Executive Program in Creative &amp; Amazing Thai Services (Class 1/2019), Commerce Academy</li><li>• Top Executive Program in Commerce and Trade (Class 11/2018), Commerce Academy</li><li>• Advanced Management Course in Power Science (Class 8/2016), Institute of Energy Science</li><li>• Administrative Justice for Executives Program (Class no.18/2014), The Office of the Administrative Courts of Thailand</li><li>• Poom Palung Pandin Courses for Executives (Class No.1/2012), Chulalongkorn University</li></ul>



Education	<ul style="list-style-type: none"> <li>• Capital Market Academy Executive Program (Class No.13/2011), Capital Market Academy</li> </ul>	
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2004, Thai Institution of Directors Association (IOD)</li> </ul>	
Number of shares held in the company	35,999,999 shares	
Shareholding (%)	2.075% of Paid-up capital	
Family Relationship between Executives	<ul style="list-style-type: none"> <li>• Nephew of Mr. Sompop Sahawat</li> <li>• Cousin of Mr. Patta Sahawat</li> <li>• Cousin of Ms. Phattra Sahawat</li> <li>• Cousin of Mr. Somprasong Sahawat</li> <li>• Cousin of Mr. Sittiwat Sahawat</li> </ul>	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company</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)	60	
Position	Director	
Date of appointment as a Director	1 November 1994	
Education	<ul style="list-style-type: none"> <li>• BA-Marketing, Assumption University</li> </ul>	
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2004, Thai Institution of Directors Association (IOD)</li> </ul>	
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	<ul style="list-style-type: none"> <li>• Brother-in-law of Mr. Patta Sahawat</li> <li>• Brother-in-law of Ms. Phattra Sahawat</li> </ul>	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company</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)	51	
Position	<ul style="list-style-type: none"> <li>• Director</li> <li>• Deputy Managing Director</li> <li>• Authorized Director</li> </ul>	
Date of appointment as a Director	25 April 2001	
Education	<ul style="list-style-type: none"> <li>• Diploma Mount Ida College, Massachusetts, USA.</li> </ul>	
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2004, Thai Institution of Directors Association (IOD)</li> </ul>	
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"> <li>• Nephew of Mr. Sompop Sahawat</li> <li>• Elder Brother of Ms. Phattra Sahawat</li> <li>• Cousin of Mr. Wanthana Jaroennawarat</li> <li>• Cousin of Mr. Somprasong Sahawat</li> <li>• Cousin of Mr. Sittiwat Sahawat</li> <li>• Brother of wife of Mr. Suthep Chaipattanavanich (Mrs. Siriporn Chaipattanavanich)</li> </ul>	
Working Experience in the last 5 years		
<u>Period</u>	<u>Position</u>	<u>Name / Company</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)	49
Position	<ul style="list-style-type: none"> <li>• Director</li> <li>• Authorized Director</li> <li>• Assistant Managing Director</li> </ul>
Date of appointment as a Director	24 April 2002
Education	<ul style="list-style-type: none"> <li>• MSA. Multinational Commerce, Boston University, USA.</li> </ul>
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2004, Thai Institution of Directors Association (IOD)</li> </ul>
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"> <li>• Niece of Mr. Sompop Sahawat</li> <li>• Younger sister of Mr. Patta Sahawat</li> <li>• Cousin of Mr. Wanthana Jaroennawat</li> <li>• Cousin of Mr. Somprasong Sahawat</li> <li>• Cousin of Mr. Sittiwat Sahawat</li> <li>• Sister of wife of Mr. Suthep Chaipattanavanich (Mrs. Siriporn Chaipattanavanich)</li> </ul>

### Working Experience in the last 5 years

<u>Period</u>	<u>Position</u>	<u>Name / Company</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)	47
Position	<ul style="list-style-type: none"><li>• Director</li><li>• Authorized Director</li><li>• Assistant Managing Director</li><li>• Chief Finance Officer (CFO)</li></ul>
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"><li>• MPA/ID, Harvard University, USA</li><li>• Bachelor of Economics, Tufts University, USA</li><li>• Advanced Management Course in Power Science (Class 18/2023), Institute of Energy Science</li><li>• CFO Refresher Class 2/2021, Capital Market Knowledge Development, SET</li><li>• Modern Leaders Development in Jurisprudence and Development (RoLD Class 2 : Beyond Leadership), 2017, Thailand Institute of Justice</li><li>• Top Executive Program in Commerce and Trade (Class 9/2016), Commerce Academy</li><li>• Strategic CFO in Capital Markets Program (Class 3, 2016), SET</li><li>• Poom Palung Pandin Courses for Executives (Class No.3/2015), Chulalongkorn University</li><li>• Capital Market Academy Executive Program (Class 16, 2014), Capital Market Academy</li></ul>
Director Training Program	<ul style="list-style-type: none"><li>• DAP/2004, Thai Institution of Directors Association (IOD)</li></ul>
Number of shares held in the company	36,000,000 shares
Shareholding (%)	2.075% of Paid-up capital

#### Family Relationship between Executives

- Nephew of Mr. Sompop Sahawat
- Cousin of Mr. Wanthana Jaroennawarat
- 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</u>
1 Jun. 2022 - Present	Managing Director	Vanachai Energy Industries Co., Ltd.
1 Jan. 2022 - Present	Managing Director	Vanachai Panel Industries Co., Ltd.
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.
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)	43
Position	<ul style="list-style-type: none"> <li>• Director</li> <li>• Authorized Director</li> <li>• Assistant Managing Director</li> </ul>
Date of appointment as a Director	14 May 2019
Education	<ul style="list-style-type: none"> <li>• Business Administrative, San Francisco State University, USA</li> </ul>
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2019, Thai Institution of Director Association (IOD)</li> </ul>
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"> <li>• Son of Mr.Sompop Sahawat</li> <li>• Cousin of Mr.Wanthana Jaroennawarat</li> <li>• Cousin of Mr.Patta Sahawat</li> <li>• Cousin of Ms.Phattra Sahawat</li> <li>• Cousin of Mr.Somprasong Sahawat</li> </ul>



Working Experience in the last 5 years

<u>Period</u>	<u>Position</u>	<u>Name / Company</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</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)	66	
Position	<ul style="list-style-type: none"> <li>• Director</li> <li>• Assistant Managing Director</li> </ul>	
Date of appointment as a Director	6 March 2015	
Education	<ul style="list-style-type: none"> <li>• BA-Accounting, Thammasat University</li> </ul>	
Director Training Program	<ul style="list-style-type: none"> <li>• DAP/2017, Thai Institution of Director Association (IOD)</li> </ul>	
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</u>
2015 - Present	Director	Vanachai Group PCL.
2010 - Present	Assistant Managing Director	Vanachai Group PCL.
2002 - 2010	Assistant Deputy Managing Director	Vanachai Group PCL.
	Director	
Criminal - Free Track record for the past 10 years	None	



**15. Mr. Vichai Nivespathomwat**

Age (year)	77	
Position	Director	
Date of appointment as a Director	24 February 2020	
Education	<ul style="list-style-type: none"><li>Mini MBA Class 21/1988, Thammasat University</li></ul>	
Director Training Program	<ul style="list-style-type: none"><li>DAP/2020, Thai Institution of Director Association (IOD)</li></ul>	
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</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)	59	
Position	Assistant Managing Director	
Date of appointment as an Assistant Managing Director	1 February 2010	
Education	<ul style="list-style-type: none"><li>DBA-Industrial Business and Human Resource Development, King Mongkut's University of Technology North Bangkok</li><li>MIE-Industrial Engineering, King Mongkut's University of Technology North Bangkok</li></ul>	
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</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. Aruck Tungtrakool**

Age (year)	63	
Position	Company Secretary	
Date of appointment as a Company Secretary	11 August 2008	
Education	<ul style="list-style-type: none"><li>• BA-Accounting, Thammasat University</li><li>• Practitioners Company Secretary Course Class No. 21/2009, Thai Company Secretary Club</li></ul>	
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</u>
2008 - Present	Company Secretary	Vanachai Group PCL.
Criminal - Free Track record for the past 10 years	None	

**18. Mrs. Prapaporn Sringam**

Age (year)	58	
Position	Administrative Manager	
Date of appointment as an Administrative Manager	1 October 2021	
Education	<ul style="list-style-type: none"><li>• Bachelor's degree in Finance and Banking, Ramkhamhaeng University</li></ul>	
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</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	

### 19. Ms. Kanokwan Khuanpadung

Age (year)	42	
Position	Accounting Supervisor	
Date of appointment as an Accounting Supervisor	1 April 2022	
Education	<ul style="list-style-type: none"> <li>• Faculty of Humanities and Social Sciences, Accountancy, Burapha University</li> <li>• Training for continuing knowledge development in accounting <ul style="list-style-type: none"> <li>Year 2023, amount 12 hours</li> <li>Year 2022, amount 12 hours</li> </ul> </li> </ul>	
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</u>
1 Apr. 2022 - Present	Accounting Supervisor	Vanachai Group PCL.
1 Jun. 2017 - Present	Accounting and Administration Supervisor	Vanachai Group PCL.
1 Mar. 2015 - 31 May 2017	Acting Accounting and Management Supervisor	Vanachai Group PCL.
1 Jun. 2014 - 28 Feb. 2015	Accounting Assistant Supervisor	Vanachai Group PCL.
1 Sep. 2009 - 31 May 2014	Accounting Department Supervisor	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. Suebtrakul	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	Sahawat	√+√√	√	√	√	√	-	√	√	√	√	-	-
13. Mr. Sittiwat	Sahawat	√+√√	√	√	√	√	-	√	√	√	√	-	-
14. Mr. Surapong	Dumrisilp	√+√√	-	-	-	-	-	-	-	-	-	-	-
15. Mr. Vichai	Nivespathomwat	√	-	-	-	-	-	-	-	-	-	-	-
16. Mr. Phumsakdi	Chullavullibha	-	-	-	-	-	-	-	-	-	-	-	-
17. Mr. Aruck	Tungtrakool	-	-	-	-	-	-	-	-	-	-	-	-
18. Mrs. Prapaporn	Sringam	-	-	-	-	-	-	-	-	-	-	-	-
19. Ms. Kanokwan	Khuanpadung	-	-	-	-	-	-	-	-	-	-	-	-

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, 2023

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. Suebtrakul	Soonthornthum	-	-	-	-	-	-	-	-	-
6. Mr. Kraithip	Krairiksh	-	-	-	-	-	-	-	-	-
7. Ms. Yupaporn	Boongate	1	1	1	1	-	-	-	1	-
8. Mr. Wanthana	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	Sahavat	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 Sahawat	✓	✓	✓	✓	-	✓	✓	✓	✓
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 2023 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 1,014 Rai 1 Ngan 26.30 square Wah	Owner	369.89	Mortgaged for short-term loans and long-term loans from financial institutions in the amount of 8,401.67 million baht
2. Building improvements, factory building and construction	Owner	1,799.43	
3. Machines and equipment	Owner	7,170.11	
4. Construction in progress	Owner	279.70	
5. Land and land improvements, with total area of 810 Rai 1 Ngan 71.20 square Wah	Owner	287.98	Not bound by obligations
6. Building improvements, factory building and construction	Owner	259.84	Not bound by obligations
7. Machines and equipment	Owner	1,667.50	Not bound by obligations
8. Vehicles	Owner	139.53	Not bound by obligations
9. Tools	Owner	34.33	Not bound by obligations
10. Furniture and office equipment	Owner	22.56	Not bound by obligations
Total		12,030.87	

#### 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 4 Independent Directors in accordance with the qualifications and rules stipulated by The Stock Exchange of Thailand are as follows:

- |                            |                 |                                 |
|----------------------------|-----------------|---------------------------------|
| 1. Mr. Kraithip            | Krairiksh       | Chairman of the Audit Committee |
| 2. Police General Soontorn | Saikwan         | Audit Committee                 |
| 3. Police General Visanu   | Prasattongosoth | Audit Committee                 |
| 4. Mr. Praphan             | Anaman          | 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 2023, the Audit Committee held 4 meetings, 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. The details of the meeting attendance of the Audit Committee are as follows:

List name	Attendance / All meetings
1. Police General Wichean Potephosree	3/3 <sup>(1)</sup>
2. Mr. Nipon Wisityuthasart	3/3 <sup>(2)</sup>
3. Mr. Kraithip Krairiksh	4/4 <sup>(3)</sup>
4. Police General Soontorn Saikwan	0/0 <sup>(4)</sup>
5. Police General Visanu Prasattongosoth	0/0 <sup>(5)</sup>
6. Mr. Praphan Anaman	0/0 <sup>(6)</sup>

- (1) Resignation from the Audit Committee, effective from October 11, 2023
- (2) Resignation from the Audit Committee, effective from October 31, 2023
- (3) Appointment as Chairman of the Audit Committee, effective from November 7, 2023
- (4) Appointment as Audit Committee member, effective from November 7, 2023
- (5) Appointment as Director and Audit Committee member to replace Pol. Gen. Wichean Potephosree, effective from November 7, 2023
- (6) Appointment as Director and Audit Committee member to replace Mr. Nipon Wisityuthasart, effective from November 7, 2023

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 considered and appointed Certified Public Accountant who are Mr. Ampol Chamnongwat Certified Public Accountant (Thailand) Registration No. 4663 or Ms. Praphasri Leelasupha Certified Public Accountant (Thailand) Registration No. 4664 or Mr. Naris Saowalagsakul Certified Public Accountant (Thailand) Registration No. 5369 or Ms. Gunyanun Punyaviwat Certified Public Accountant (Thailand) Registration No. 12733 or Mr. Burin Prasongsamrit Certified Public Accountant (Thailand) Registration No. 12879 from SAM NAK-NGAN A.M.C Co., Ltd. to be the auditors for the year 2024 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 2024 total 955,000 Baht to submit board of approval and presented at shareholder annual general shareholder meeting of year 2024 for future approval.

Sign Yamw Yamw

(Mr. Kraithip Krairiksh)

Chairman of the Audit Committee





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**บริษัท วนชัย กรุ๊ป จำกัด (มหาชน)**

2/1 ถนนวงศ์สว่าง แขวงวงศ์สว่าง  
เขตบางซื่อ กรุงเทพมหานคร 10800

**โทรศัพท์** 0-2913-2180-9, 0-2585-4900-3

**โทรสาร** : 0-2587-9556, 0-2587-0516

**E-mail** : vanachai@vanachai.com

**VANACHAI GROUP PUBLIC COMPANY LIMITED**

2/1 Wongsawang Road, Wongsawang,  
Bangsue, Bangkok Thailand 10800

**Telephone** : 0-2913-2180-9, 0-2585-4900-3

**Facsimile** : 0-2587-9556, 0-2587-0516

**E-mail** : vanachai@vanachai.com