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ESG

VANACHAI **One Report 2024**

ANNUAL REPORT 2024 /
FORM 56-1 ONE REPORT

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Executive Summary

About the company

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Vision

To be a leader in the alternative wood panel products industry,
ecognizing the value of resources and creating sustainable value.

Mission

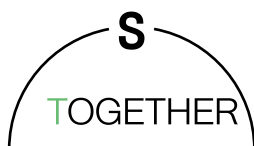
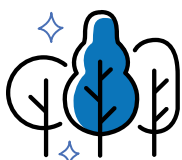
- To strive for global excellence in producing high-quality products using technology and innovation
that precisely meet customer needs with efficiency.
- The business operates in accordance with ESG principles, focusing on environmental care, social responsibility.
- Transparent corporate governance **and enhancing the quality of life for employees** to drive the organization toward a sustainable future.

VANACHAI SUSTAINABLE MOVE

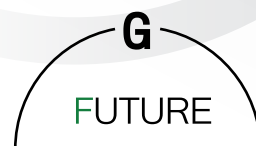
Sustainability Strategy



Promote the bio-economy
through the preservation of bio-diversity
Enhance the Circular Economy
and ensure the sustainable use of natural resources
Transition towards a green economy
by achieving carbon neutrality



Together, preserving society
respect human rights and ensure equality within the society
Together, preserving communities
enhance the quality of life in the communities
where Vanachai operates
Together, preserving employees
enhance work efficiency to ensure happiness and safety



Build a stable business future
through good corporate governance
Create a new potential market
with environmentally-friendly innovative products
Build a future together
with business partners to enhance flexibility
and stability in the supply chain





C

Customer
- Centric

H

Holistic
Sustain-
ability

A

Aiming
for
Excellence

I

Innovation
for
Greener

Our Core Values

• *Customer-Centric:*

Customers are at the core and center of our business. The company places great importance on customer satisfaction and continuous product support, while also encouraging recommendations. This approach ensures that the company minimizes potential risks by continuously analyzing risks throughout the customer service process in a transparent manner, building and maintaining long-term customer relationships in a sustainable way.

• *Holistic Sustainability:*

We integrate sustainability and risk management across all aspects of our operations, from raw material sourcing to product distribution, ensuring a comprehensive approach to environmental responsibility and risk reduction. We adhere to regulations, maintain transparency, and uphold flexibility for long-term sustainability.

• *Aiming for Excellence:*

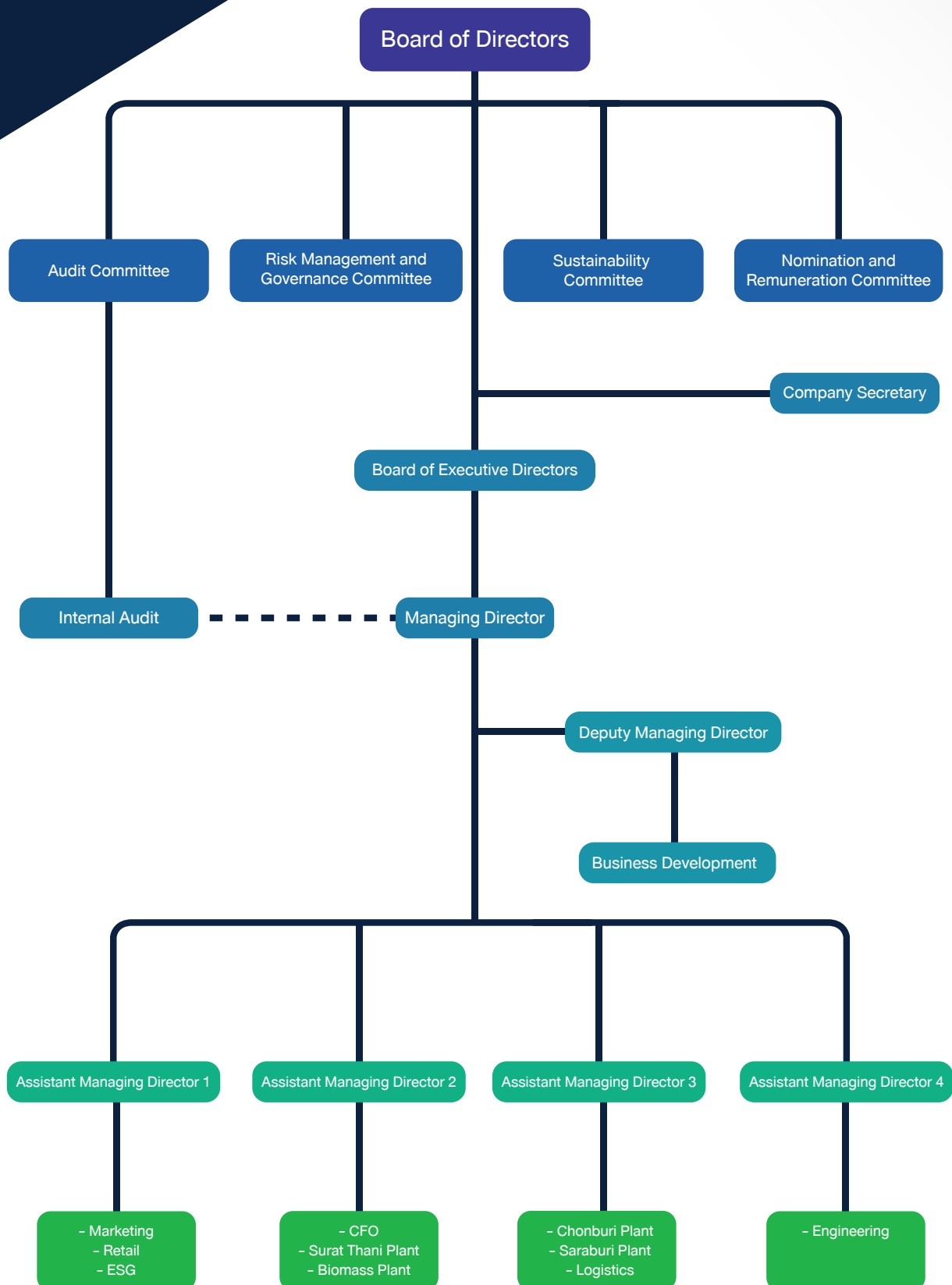
We are committed to excellence in all areas of our operations, from product quality to customer service. The company integrates risk management and sustainability practices into the operations of all teams. Through a strong team approach, the company sets high standards and continuously improves together to ensure that any potential risks are mitigated and prevented from recurring. All employees comply with regulations and strive for excellence, ensuring the sustainability of the business.

• *Innovation for Greener:*

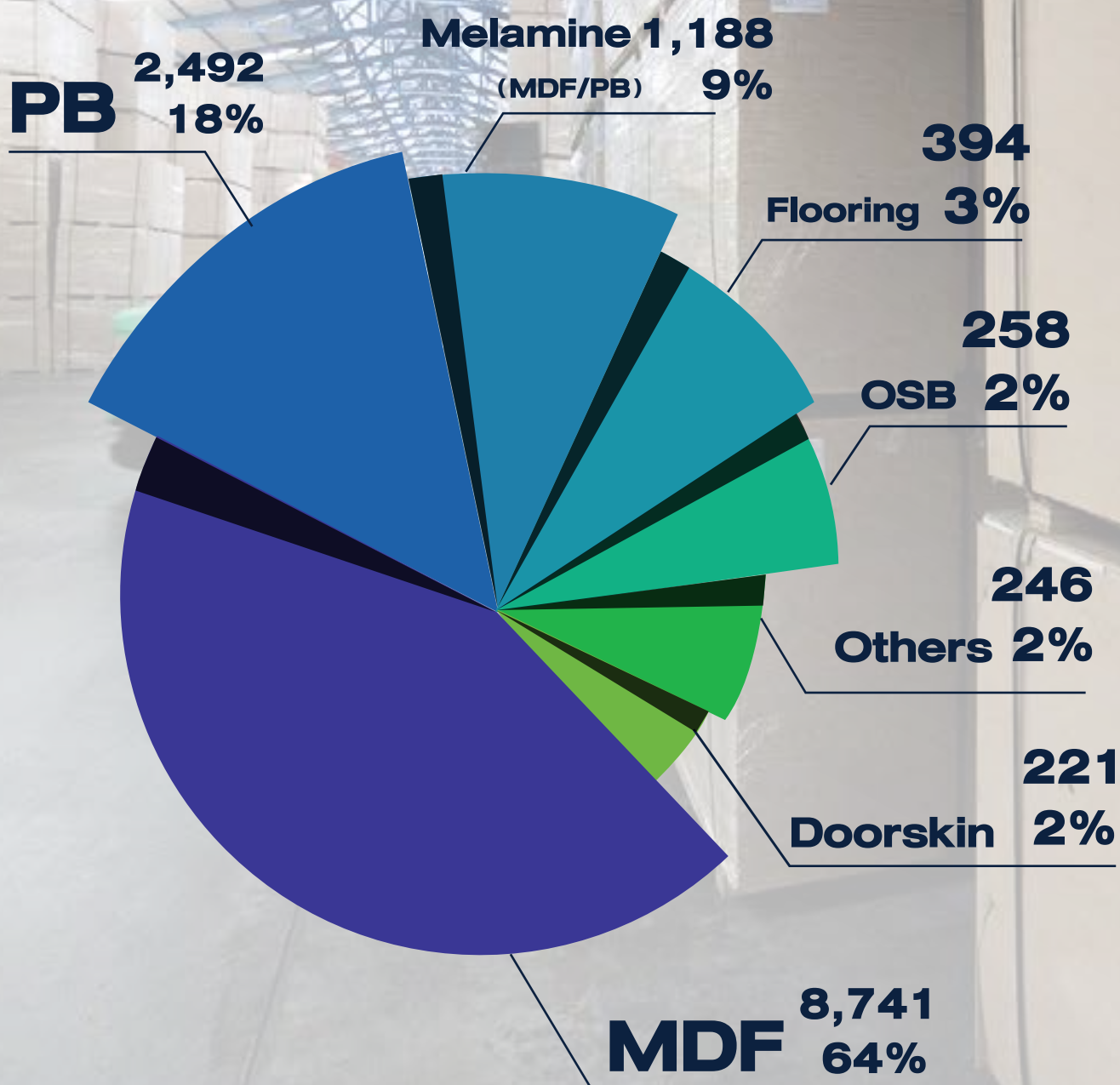
By continuously creating innovative solutions and investing in environmentally friendly technologies and practices, the company integrates risk management into every aspect of the process. This fosters a culture of innovation with a comprehensive approach to risk analysis. This approach helps reduce environmental impact across product development, production, distribution, and services, ensuring that the company contributes to a greener and more sustainable future for generations to come.

Organization Structure

Vanachal Group Public company Limited



Sales by Product (Million Baht)



Total 13,540

FINANCIAL HIGHLIGHT

VANACHAI GROUP PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES

2024

2023

2022

STATEMENTS OF COMPREHENSIVE INCOME (Baht)

| | | | |
|--|----------------|----------------|----------------|
| Revenue from sales | 13,539,671,442 | 14,148,185,097 | 13,137,625,099 |
| Profit attributable to shareholders of the company | 230,201,933 | 26,658,756 | 716,689,878 |
| EPS | 0.13 | 0.02 | 0.41 |

STATEMENTS OF FINANCIAL POSITION (Baht)

| | | | |
|----------------------------|----------------|----------------|----------------|
| Total assets | 17,995,477,697 | 18,570,293,863 | 20,127,945,798 |
| Total liabilities | 10,550,312,280 | 11,235,778,767 | 12,658,896,154 |
| Total shareholders' equity | 7,445,165,147 | 7,334,515,096 | 7,469,049,644 |

| | | | |
|--|---------------|---------------|---------------|
| Issued and paid-up share capital (shares) | 1,735,237,480 | 1,735,237,480 | 1,735,237,480 |
| Book Value | 4.29 | 4.23 | 4.30 |
| D/E Ratio | 1.42 | 1.53 | 1.69 |

AWARDS





Vanachai Group Public Company Limited

Saraburi

The Outstanding Environmental
Governance Award (White Flag
and Gold Star) for the Year 2024
(received on January 24, 2025)

Vanachai Chemical Industries Co., Ltd.

1. The Environmental and Safety Governance Award 2023

(received on August 19, 2024)

The company was honored with the White Flag and Green Star award for the fifth consecutive year. This reflects the company's consistent commitment to maintaining excellent standards in environmental and safety management, as recognized by the outstanding evaluation criteria.

2. Green Industry Award 2024

(Received on September 23, 2024)

The company was awarded Green Industry Level 4 by the Ministry of Industry, recognizing its commitment to sustainable and environmentally-friendly practices.

3. Zero Accident Campaign 2024

(Received on September 27, 2024)

The company received an honorary certificate for its participation in the Zero Accident Campaign 2023 from the Ministry of Labor, aimed at reducing workplace accidents to zero.



Message from the Chairman

Over the past year, global economic turmoil has affected every region, including Thailand. Inflation and interest rates are high, and the Thai baht currency has strengthened significantly, particularly in the last quarter of 2024. Persistent geopolitical conflicts have also inevitably affected the export sector and growth in the construction materials industry. With over 80 years of experience in this industry, the Company has been able to forge ahead in its business with a strong foundation and continued commitment to product quality and innovation, production efficiency, and responsibility to customers and all stakeholders. The Company has not ceased developing and improving the organization's capacity to meet international standards to promote long-term growth and sustainability. And with the united efforts of the board of directors, executives, and all employees, the Company was able to produce satisfactory performance.

During the past year, the board of directors approved the establishment of sub-committees, namely, Risk Management and Governance Committee, Nomination and Remuneration Committee, and Sustainability Committee, to support the organization's strategic goal of becoming a truly sustainable organization through clearly setting goals and proactive policies. The Company has set a goal to reduce greenhouse gas emissions by more than 10% by 2030 and aims to achieve carbon neutrality by 2050.

Furthermore, the Company has declared its intention to participate in anti-corruption efforts by becoming a member of the Thai Private Sector Collective Action against Corruption (CAC) as a reiteration of the Company's commitment to honest and transparent business operations in line with good governance principles.

In 2025, although business operations remain likely to be confronted with multidimensional challenges, we are confident that the Company will remain able to stand and grow in strength. The board of directors remains committed to governing the business and ensuring operations are in line with policies and goals while placing importance on driving the organization to maintain leadership in developing substitute wood boards with innovation and creativity alongside preserving environmental balance, engagement in corporate social responsibility and corporate governance for sustainability according to the Company's ideal and intention of "Vanachai = Victory of Forest Conservation".

In closing, on behalf of the board of directors, I would like to thank all shareholders, trade partners, and stakeholders for having always given trust, confidence, and support for the Company's operation. I would like to reassure everyone that the Company will move forward in security, strength, and continued sustainable growth.



Mr. Sompop Sahawat
Chairman

Message from the Managing Director

The past year has been a challenging time for all business sectors. We were faced with pressure in many areas including complex economic pressures and overall consumption had not recovered. Nevertheless, the Company remains committed to producing satisfactory performance with a focus on rapid strategy adjustments to suit changing situations, thorough planning, proactive policies, and closely monitoring results in every aspect to increase production efficiency throughout the supply chain.



Amidst uncertainty and rapid change, the market for medium density fiberboards (MDF), which is the Company's main product, remains a market with high potential, particularly in the Middle East where growth rates remain strong. Therefore, we have planned to expand production capacity by another 40% from the current capacity by 2026 to ensure leadership in the MDF industry along with using modern technology in production and sale processes so as to have speed and the ability to effectively meet market demands.

While Particleboard products have encountered a slump in markets throughout Asia region and Thailand, gains in the baht currency's value, particularly in the last quarter of the year, continues to directly affect profit from sales. In addition, floods in the southern region where the Company sources the Company's main raw materials have raised production costs of particle boards and MDF boards in 2024.

The Company continues to place importance on managing resources to create maximum benefit. The Company uses leftover wood from production processes to generate electricity from biomass for use in the new production process, help with reducing costs, and enhance management efficiency, particularly in terms of energy costs. The Company has conducted an environmental impact assessment to double generation capacity from biomass power plants. Moreover, in transportation and logistics, the Company has established companies to work in this area to boost flexibility for the business in managing product transportation, reducing transportation costs, and improve the Company's competitiveness.

In developing the organization, the Company has invested in an enterprise resource planning system to build work capacity. This system is installed and in use, boosting flexibility and smooth flow of work processes with less redundancy and real-time data management ability while also enabling decisions to be quick and accurate.

In addition to business goals, the Company places importance on sustainable development. We work continually according to ESG guidelines by carrying out projects that reduce environmental impacts, improve employee quality of life, and develop the organization to grow based on transparent governance. We are aware of carbon dioxide emissions in work processes throughout the value chain. In the past year, the Company has increased use of renewable energy such as solar and biomass energy in production processes and increased sales of environmentally friendly goods and services in line with the Company's goal of achieving carbon neutrality or net zero emissions by 2050.

I would like to thank all shareholders, customers, trade partners, and stakeholders for having always given our Company their support and trust throughout. In 2025, barriers and challenges will continue to manifest. However, I am confident that, with the experience and professionalism of the board of directors, executives, and all employees, the Company can be guided to success in line with set goals. We are ready to move forward with caution to make every investment and work effort most beneficial to the Company. We will develop the organization unceasingly and maintain our leadership in the industry for continued secure and sustainable growth.

Mr. Wanthana Jaroennawat
Managing Director

Important changes in 2024

In 2024, the Company and subsidiaries had total sales income at 13,539.7 million baht, a reduction of 608.5 million baht or 4% when compared to 14,148.2 million baht in 2023. Net profit for the year was 232.1 million baht, an increase of 187.2 million baht or 416% when compared to the previous year. Income reductions were a result of concerns regarding economic turmoil, high competition in domestic and international markets which affected sales of MDF board products that are the Company's main product, causing sales to decline by 9% from 2023. Nevertheless, effective sales and marketing management has enabled the Company to increase average sales of this product by 3% and, with continuous cost control, gross profit increased by 6% while other products had lower average sale prices. Therefore, in 2024, gross profit declined by 3% from 2023.

In 2024, the Company and subsidiaries made significantly more profit, partly as a result of replacing machines used to manufacture MDF Boards and Particleboards in line with manufacturing and cost control plans to expand production capacity and increase competitiveness in support of strong future growth. In the machinery replacement, the Company and subsidiaries profited from sales of old machinery in the amount of 272.8 million baht. In addition, despite fluctuations and in a strengthening trend of the baht currency, the Company and subsidiaries were able to profit from exchange rates by 129.3 million baht with careful risk management. Regarding the financial status as of 31 December 2024, the Company's shareholders' equity was 7,357.4 million baht or an increase of 108.7 million baht while overall liabilities declined by 685.5 million baht due to repayment of long-term debts in the amount of 1,026.1 million baht, which was due for repayment in 2024.

The Company and subsidiaries have always had effective cost management, particularly in terms of energy costs, which must be managed alongside environment conservation for sustainable growth. In 2024, the Company invested in two additional solar energy power plant products at the Saraburi Plant with a total generation capacity of 1.801 MWp. The projects have already begun electricity generation. And in 2025, the Company will invest in the project to increase solar energy generation at the Chonburi Plant to have a generation capacity of 1.25 MWp. The project is expected to be able to begin operations sometime this year. Completion of this project will cause the Company and subsidiaries to have a total solar energy electricity generation capacity of 16.453 MWp.

In driving the organization, the Company and subsidiaries invested in using an enterprise resource planning (ERP) system in the organization's operating system and resource management in to create real-time connections and data access while also enabling fast and accurate decision-making. The system was developed in 2023 and completed in 2024.

In the area of corporate governance, the board of directors has approved the establishment of three sub-committees, namely, Risk Management and Governance Committee, Nomination and Remuneration Committee, and Sustainability Committee, to assist the board of directors in pushing and operating according to the Company's goals and strategy.



1

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, 2024, 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 2024, 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 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 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 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.

- Year 2020 • 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 2nd quarter of 2020, to the 4th 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 3rd 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 3rd 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 2nd 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.

- Year 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.
- Year 2024
- 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 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 can 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 can 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 |
| Type of business | : | MDF Board, Particleboard, Doorskin, Laminated Board Laminated Flooring, for local and export sales |
| Company registration number | : | 0107537002621 |
| Head office | : | 2/1 Wongsawang Road, Bangsue, Bangkok 10800 |
| Tel. | : | 0 2585 4900-3, 0 2913 2180-9 |
| Fax. | : | 0 2587 9556, 0 2587 0516 |
| 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 |
| Website | : | www.vanachai.com |
| Registered capital | : | 1,735,237,480 Baht |
| Paid-up capital | : | 1,735,237,480 Baht |
| Types and Value of share | : | Ordinary shares at a par value of 1.00 baht per share |

Information of Subsidiaries Companies

1. Particle Planner Company Limited

| | | |
|-----------------------------|---|---|
| Type of business | : | Particleboard, for local and export sales |
| Company registration number | : | 0105533142362 |
| Head office | : | 2/1 Wongsawang Road, Bangsue, Bangkok 10800 |
| Tel. | : | 0 2585 4900-3, 0 2913 2180-9 |
| Fax. | : | 0 2587 9556, 0 2587 0516 |
| Factory - Chonburi | : | 22/2 Banbung - Neinmok Road, Banbung, Chonburi |
| Tel. | : | 0 3829 7322-30 |
| Fax. | : | 0 3829 7334 |
| 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 |

2. Vanachai Panel Industries Company Limited

| | | |
|-----------------------------|---|---|
| Type of business | : | MDF Board, Particleboard, Wood surface, Oriented Strand Board for local and export sales |
| Company registration number | : | 0105538073822 |
| Head office | : | 2/1 Wongsawang Road, Bangsue, Bangkok 10800 |
| Tel | : | 0 2585 4900-3, 0 2913 2180-9 |
| Fax | : | 0 2587 9556, 0 2587 0516 |
| 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 |
| 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 |

3. Vanachai Chemical Industries Company Limited

| | | |
|-----------------------------|---|--|
| Type of business | : | Manufacture resin for support usage among the Company Group |
| Company registration number | : | 0105537112506 |
| Head office | : | 2/1 Wongsawang Road, Bangsue, Bangkok 10800 |
| Tel. | : | 0 2585 4900-3, 0 2913 2180-9 |
| Fax. | : | 0 2587 9556, 0 2587 0516 |
| 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 |
| 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 |

4. Woodtek International Company Limited

| | |
|-----------------------------|---|
| Type of business | : Operate marketing business for all products under the Company Group |
| Company registration number | : 0105532003105 |
| Head office | : 2/1 Wongsawang Road, Bangsue, Bangkok 10800 |
| 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

| | |
|-----------------------------|--|
| Type of business | : Production and sales of Laminated Veneer, for local and export sales |
| Company registration number | : 0105557117741 |
| Head office | : 2/1 Wongsawang Road, Bangsue, Bangkok 10800 |
| Tel. | : 0 2585 4900-3, 0 2913 2180-9 |
| Fax. | : 0 2587 9556, 0 2587 0516 |
| Factory - Chonburi | : 22/1 Banbung - Neinmok Road, Banbung, Chonburi |
| Tel. | : 0 3829 7322-30 |
| Fax. | : 0 3829 7334 |
| Factory - Pathumthani | : 43/3 Moo 4, Tambol Banchang, Amphur Muang, Pathumthani |
| 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 |

6. Vanachai Energy Industries Company Limited

| | |
|-----------------------------|---|
| 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 |
| Head office | : 2/1 Wongsawang Road, Bangsue, Bangkok 10800 |
| Tel. | : 0 2585 4900-3, 0 2913 2180-9 |
| Fax. | : 0 2587 9556, 0 2587 0516 |
| Factory - Suratthani | : 9/99 Moo 1, Khao Niphan, Wieng Sra, Suratthani |
| Tel. | : 0 7727 8500 |
| Fax. | : 0 7730 1130 |
| 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 |

7. Vanachai Woodsmith Company Limited

| | |
|-----------------------------|--|
| 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 |
| Head office | : 2/1 Wongsawang Road, Bangsue, Bangkok 10800 |
| Tel. | : 0 2587 9700-1, 0 2587 7952-5 |
| Fax. | : 0 2587 9556, 0 2587 0516 |
| Branch Office | : Search from www.woodsmith.co.th |

Vanachai Woodsmith Company Limited (con't)

Registered capital : 400,000,000 Baht
Paid-up capital : 400,000,000 Baht
Types and Value of share : Ordinary shares at a par value of 10.00 baht per share

8. Vanachai Logistics Company Limited

Type of business : Business pick-up and delivery of goods within the country.
Company registration number : 0105562077581
Head office : 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Tel. : 0 2585 4900-3, 0 2913 2180-9
Fax. : 0 2587 9556, 0 2587 0516
Branch - Chonburi : 22/1 Banbung - Neinmok Road, Banbung, Chonburi
Tel. : 0 3829 7322-30
Fax. : 0 3829 7334
Registered capital : 115,000,000 Baht
Paid-up capital : 115,000,000 Baht
Types and Value of share : Ordinary shares at a par value of 10.00 baht per share

9. Vanachai Logistics Enterprise Company Limited

Type of business : Business pick-up and delivery of goods within the country.
Company registration number : 0105564115081
Head office : 2/1 Wongsawang Road, Bangsue, Bangkok 10800
Tel. : 0 2585 4900-3, 0 2913 2180-9
Fax. : 0 2587 9556, 0 2587 0516
Branch - Chonburi : 22/1 Banbung - Neinmok 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
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

1.2 Types of Business

1.2.1 Revenues structure

Revenue structure by product

(Unit : Thousand Baht)

| Product | Operate by | % of Share Holding | 2022 | | 2023 | | 2024 | |
|--------------------|-------------------------------------|--------------------|---------------|-----|---------------|-----|---------------|-----|
| | | | Revenue | % | Revenue | % | Revenue | % |
| MDF Board | Vanachai Group Plc. | | | | | | | |
| | Vanachai Panel Industries Co., Ltd. | 99.99 | 8,324,654.31 | 63 | 9,346,410.90 | 66 | 8,741,307.75 | 65 |
| Particleboard | Vanachai Group Plc. | | | | | | | |
| | Particle Planner Co., Ltd. | 99.99 | 2,484,607.41 | 19 | 2,417,210.95 | 17 | 2,491,856.37 | 18 |
| | Vanachai Panel Industries Co., Ltd. | 99.99 | | | | | | |
| Wood surface | Vanachai Group Plc. | | | | | | | |
| | Vanachai Panel Industries Co., Ltd. | 99.99 | 1,060,143.58 | 8 | 1,106,529.24 | 8 | 1,187,941.10 | 9 |
| | PV Wood Co., Ltd. | 50.00 | | | | | | |
| Laminated Flooring | Vanachai Group Plc. | | 522,585.86 | 4 | 544,664.28 | 4 | 394,161.76 | 3 |
| OSB | Vanachai Panel Industries Co., Ltd. | 99.99 | 414,600.41 | 3 | 323,011.01 | 2 | 258,009.44 | 2 |
| Doorskin | Vanachai Group Plc. | | 274,838.58 | 2 | 220,814.37 | 2 | 220,614.90 | 2 |
| Other products | Company in group | 99.99 | 56,194.95 | 1 | 189,544.34 | 1 | 245,780.12 | 1 |
| Total sales | | | 13,137,625.10 | 100 | 14,148,185.09 | 100 | 13,539,671.44 | 100 |

Domestic and international revenue structure

(Unit : Thousand Baht)

| Type | 2022 | | 2023 | | 2024 | |
|------------------------|---------------|------------------------------|---------------|------------------------------|---------------|------------------------------|
| | Value | Percentage per Total Revenue | Value | Percentage per Total Revenue | Value | Percentage per Total Revenue |
| Income - Domestic | 2,254,979.10 | 17.16 | 2,279,678.75 | 16.11 | 2,234,957.16 | 16.51 |
| Income - International | | | | | | |
| - From CLMV countries | 1,621,226.48 | 12.34 | 1,750,735.63 | 12.38 | 1,943,438.18 | 14.35 |
| - From other countries | 9,261,419.52 | 70.50 | 10,117,770.72 | 71.51 | 9,361,276.09 | 69.14 |
| Total revenue | 13,137,625.10 | 100.00 | 14,148,185.10 | 100.00 | 13,539,671.43 | 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, 2023.

1.2) 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 June 16, 2020. Privileges under Investment Promotion Certificate No. 63-0631-1-04-1-0 shall expire on June 15, 2023.

1.3) 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 December 22, 2021. Privileges under Investment Promotion Certificate No. 64-1410-1-04-1-0 shall expire on December 21, 2024.

1.4) 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.

1.5) The Company received Investment Promotion Card No. 67-2094-2-04-1-0 dated 27 September 2024 from the Board of Investment and received privileges pursuant to the Investment Promotion Act of B.E. 2520 (1977) for the business of manufacturing products or containers from agricultural produce, agricultural byproducts or scrap materials, or products from raw materials gained from agricultural byproducts, scrap materials or waste, which improves production efficiency to conserve energy and use renewable energy. The privileges received and conditions for privileges 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 27, 2024. Privileges under Investment Promotion Certificate No. 67-2094-2-04-1-0 shall expire on September 26, 2027.

2. Vanachai Panel Industries Company Limited

2.1) 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.

2.2) 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.

3. Vanachai Energy Industries Company Limited

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

- Exemption from corporate income tax for net profits received from the promoted activity of not exceeding 100% of investments, excluding land cost and working capital, for a period of 8 years from the date income is first derived from such activity.
- Exemption from the calculation of dividends from the promoted activity, which are exempt from corporate income tax, for income tax payment throughout the period in which the promoted person is exempt from corporate income tax.
- The Company must establish a factory in Surat Thani Province, where the factory location must not be in a restricted area according to the provincial urban master plan announcement and must obtain permission from the Ministry of Industry or related government agencies. The factory shall not be relocated to other localities within 15 years from the date of operation startup.

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

(2) Marketing and competition

1. Key Product Marketing Policy

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

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

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

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

Distribution and Distribution Channels

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

Domestic Market

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

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

International Market

MDF Board

The primary market includes the United Arab Emirates, Saudi Arabia, Singapore, Vietnam, South Korea, Egypt and Kuwait.

The secondary market includes Türkiye, Israel, India, Taiwan, Hong Kong, Oman, Bahrain, Malaysia and Qatar.

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

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

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, Malaysia, India and Taiwan. 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 Saudi Arabia, Israel, Singapore 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 4 : 96 and 32 : 68 respectively.

2. Industrial Conditions and Competition

Concerns for overall economic growth, the war between Israel and Palestine in the Middle East, home to foreign customers of the Company and subsidiaries, which began since Quarter 4 of 2023 and continued to 2024 with effects on shipping and higher insurance premiums, and the ongoing war between Russia and Ukraine have increased costs for production factors, particularly energy prices.

Due to the effects of these external factors in causing demand for products in the industry to fluctuate in uncertainty, higher competition in the market, significant currency exchange rate fluctuations in 2024, particularly in US dollars, which affected sale prices in US dollars, sales income is uncertain.

Overall performance in 2024 of the Company and subsidiaries show lower sales income by 4% when compared to the same period in 2023 due to reductions in MDF Board sales by 9% while the average sale price increased by 3% from the average sale price in 2023. Other products were significantly affected, causing average sales to decline and causing the Company to have the aforementioned reductions in aggregate sales income and lower gross profit in 2024 by 3% when compared to 2023.

Competitors

In 2024, 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 4,860,000 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 28.40% of the total capacity.

Particleboard

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

| Item | MDF Board | Particleboard |
|--|-----------|---------------|
| Number of major manufacturers in the industry (person) | 12 | 12 |
| Total capacity of manufacturer in the industry per year (m ³)* | 4,860,000 | 4,140,000 |
| Annual capacity of the Company and its subsidiaries per year (m ³) | 1,380,000 | 840,000 |
| Capacity of the Company and its subsidiaries / Total capacity of manufacturer in the industry (percentage) | 28.40 | 20.29 |
| Capacity utilization rate of the Company and its subsidiaries (percentage) | 98.93 | 72.22 |

* Capacity of major manufacturers

(Unit: Cubic meters per year)

| Manufacturer | MDF Board | Manufacturer | Particleboard |
|-------------------------------------|-----------|--------------------------------------|---------------|
| Vanachai Panel Industries Co., Ltd. | 1,020,000 | Metro Particle Co., Ltd. | 1,080,000 |
| Vanachai Group PLC. | 360,000 | Green River Panel Thailand Co., Ltd. | 1,050,000 |
| Advance Fiber Co., Ltd. | 510,000 | Vanachai Panel Industries Co., Ltd. | 450,000 |
| Panel Plus Co., Ltd. | 510,000 | Vanachai Group PLC. | 240,000 |
| Siam Fiber Board Co., Ltd. | 450,000 | Particle Planner Co., Ltd. | 150,000 |
| Wisewoods Co., Ltd. | 450,000 | Rayong Particle Co., Ltd. | 300,000 |
| S.Kijchai Enterprise Co., Ltd. | 390,000 | Panel Plus Co., Ltd. | 270,000 |
| Metro M.D.F. Co., Ltd. | 360,000 | Green Panel Co., Ltd. | 240,000 |
| Rayong MDF Co., Ltd. | 300,000 | 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 | 4,860,000 | 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:

| Company | Factory location | Manufacture products | Capacity (per year) |
|------------------------------|---|---|--|
| 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 Impregnated paper | 90,000 Cubic Metres 240,000 Cubic Metres 10,494,400 Square Meters 104,000 Cubic Metres 65.40 Million Square Meters |
| 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 Pakornsongkrohraj Road, Maptaphut, Mueng District, Rayong | Urea formaldehyde | 146,000 Ton |
| PV Wood | 22/1 Banbung-Neinmok Road,Nong E-run, Banbung District, Chonburi 43/3 Moo 4, Tambol Banchang, Amphur Muang, Pathumthani. | 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.

2. 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 2024 accounted for approximately 69:31.

(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.

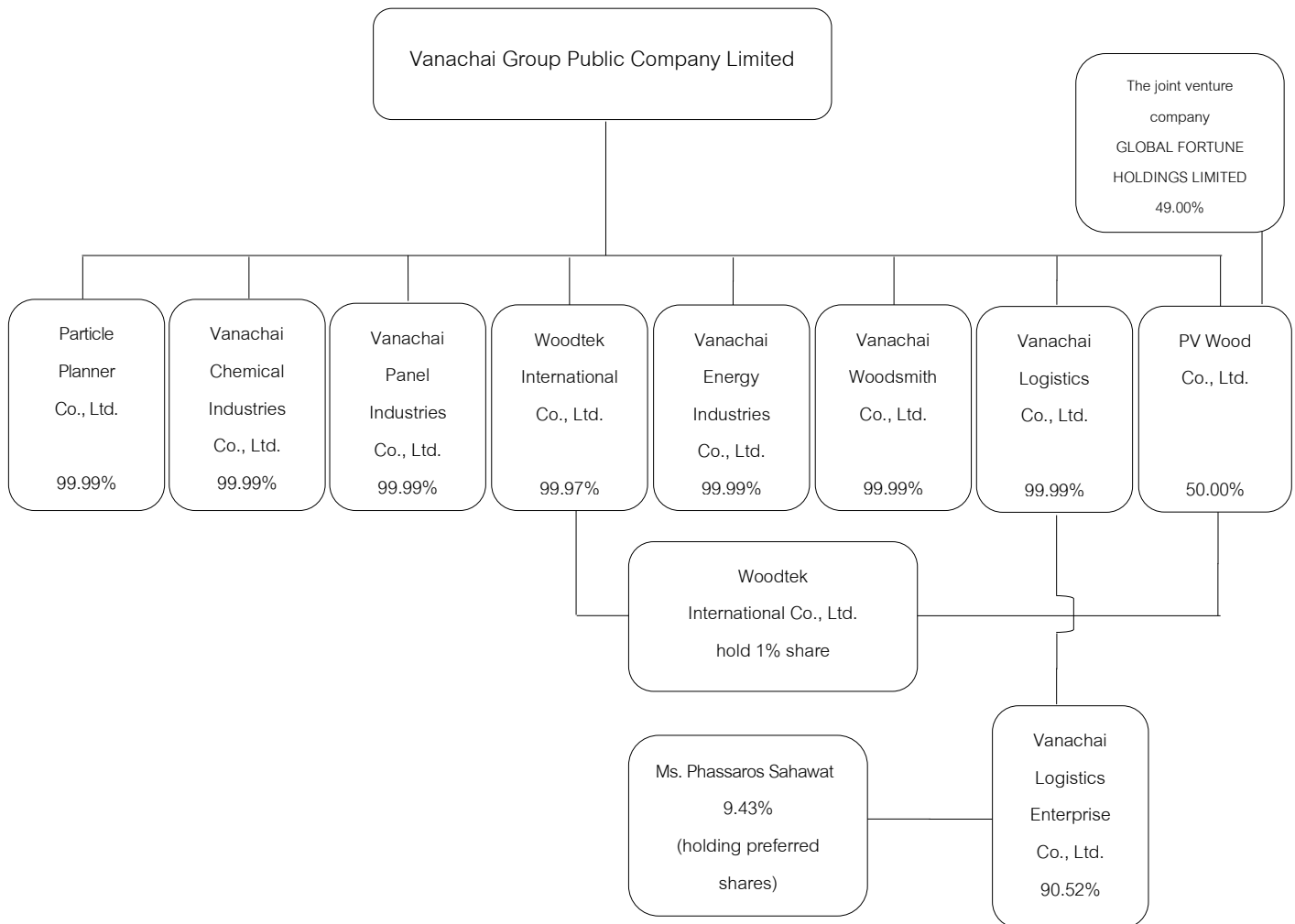
(5) Undelivered work

- 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 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 | 115 | 11,500,000 | 11,999,997 | 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 Laminate plywood Board | The Vanachai Intertrading Group Co., Ltd. holds 90.91% shares. The Vanachai Group of Companies Co., Ltd. holds 9.09% shares. |
| 6. Maeyai Co., Ltd. | Manufacture MDF Board with impregnated plywood | The Vanachai Intertrading Group Co., Ltd. holds 80.95% shares. The Vanachai Group of Companies Co., Ltd. holds 19.05% shares. |
| 7. Rich forest Co., Ltd. | Planting Ucalyptus Forest | 100% shareholding by some directors of Vanachai Group PCL. and some of the Sahavat Family |

Related companies conduct business of wooden board production and distribution in place of natural 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, 2025.

| Rank | Shareholders | No. of Shares | % ** |
|-------|---|---------------|--------|
| *1. | The Vanachai Group of Companies Co., Ltd. | 969,379,770 | 55.864 |
| *2. | The Sahavat Family | | |
| | 2.1 Mr. Patta Sahawat | 36,000,000 | 2.075 |
| | 2.2 Ms. Phattra Sahawat | 36,000,000 | 2.075 |
| | 2.3 Mr. Somprasong Sahavat | 36,000,000 | 2.075 |
| | 2.4 Ms. Somjairak Sahavat | 36,000,000 | 2.075 |
| | 2.5 Mr. Sittiwat Sahawat | 36,000,000 | 2.075 |
| | 2.6 Ms. Nipapat Sahawat | 36,000,000 | 2.075 |
| *3. | The Jaroennawarat Family | | |
| | 3.1 Mr. Vasun Jaroenavarat | 35,999,999 | 2.075 |
| | 3.2 Mr. Wanthana Jaroennawarat | 35,999,999 | 2.075 |
| *4. | Ms. Yupaporn Boongate | 36,000,000 | 2.075 |
| *5. | Mrs. Siriporn Chaipattananich | 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 | 21,080,000 | 1.215 |
| 9. | Thai NVDR Co., Ltd. | 14,527,878 | 0.837 |
| 10. | Mr. Wanchak Kitthanamongkolchai | 13,451,000 | 0.775 |
| 11. | Other Shareholders | 241,227,889 | 13.899 |
| Total | | 1,735,237,480 | 100.00 |

* Holding shares together approximately 76.61% of total shares

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

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

| Rank | Shareholders | No. of Shares | % |
|-------|-------------------------------|---------------|-----|
| 1. | Ms. Yupaporn Boongate | 510,000 | 10 |
| 2. | Mr. Vasun Jaroenavarat | 510,000 | 10 |
| 3. | Mr. Wanthana Jaroennawarat | 510,000 | 10 |
| 4. | Mrs. Siriporn Chaipattananich | 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 | 2024 |
|---|--------|-------|-------|--------|-------|
| Net Earnings Per Share - Consolidated Financial Statements (Baht) | (0.36) | 0.75 | 0.41 | 0.02 | 0.13 |
| Net Earnings Per Share - Separate Financial Statements (Baht) | 0.07 | 0.43 | 0.36 | 0.25 | 0.26 |
| Dividend per share rate - Dividend (Baht/share) | - | 0.40 | 0.20 | 0.02 | 0.10 |
| Dividend to net profit rate (%) From profit for the year - Consolidated financial statements - Shareholders' Equity of the Company | - | 53.65 | 48.42 | 130.18 | 75.38 |

2. Risk Management and Management

Risk is the potential uncertainty that can occur throughout the course of a business. Risks can be both internal and external, controllable and uncontrollable. The Company is aware of such risks and has adopted a holistic risk management framework based on the COSO ERM Framework to manage and manage risks. in order to link risk management to business operational objectives together with business activities (Activities) including the scope of risk management in every business unit of the Company.

Risk management process

1. Creating a risk culture within the organization

Risk culture is part of the organization's values, which senior management passes on to employees at all levels to make all employees aware of the risks in the organization and jointly plan and manage risks with the Board of Directors determining the risk management policy establishment of a Risk Management and Corporate Governance Committee to implement policies, monitor and evaluate risk management results, including their impact on business operations, with a Risk Management Working Group responsible for implementing the process. The working group will consist of employees at different levels in each business unit in the company and all subsidiaries to ensure that risks can be determined covering the entire organization.



- The Board of Directors is responsible for considering and approving a comprehensive risk management policy that is consistent with the business plan, including the business objectives and sustainable business development, the Board of Directors approves the establishment of the Risk Management and Corporate Governance Committee, including the person who will serve as the Chairman of the Risk Management Committee.

- The Company's Board of Directors has resolved to appoint a Risk Management and Corporate Governance Committee to perform duties in setting appropriate risk management policies and guidelines, covering risks related to the Company's business operations. and operations in accordance with corporate governance practices and related laws, in accordance with good practices for listed companies for sustainable organizational growth.
- The Risk Management and Corporate Governance Committee Charter requires all members of the Risk Management and Corporate Governance Committee to be directors or executives of the Company, consisting of at least 3 directors and at least 1 independent director, with the Chairman of the Risk Management and Corporate Governance Committee being an independent director. The Risk Management and Corporate Governance Committee may appoint a secretary or working group to assist in coordinating and implementing policies.
- The working group will report directly to the Risk and Corporate Governance Committee and will report to the Risk and Corporate Governance Committee twice a year so that the Risk and Corporate Governance Committee can summarize risk management issues for the Board of Directors.
- The Risk Management and Corporate Governance Committee has the duties following:

The risk

- 1) Establish a policy framework and guidelines for risk management, including selecting risks that are expected to occur in the Company and the Group of Companies in accordance with the Company's business plan and in accordance with business objectives.
- 2) Define key risk indicators to identify acceptable risk levels.
- 3) Determine the methods used to manage risks.
- 4) Oversee and monitor the implementation of the risk management plan.

Corporate governance

- 1) Establish policies on corporate governance, business ethics and anti-corruption.
- 2) Support and communicate to stakeholders and related persons to comply with the said policy.
- 3) Take care of and follow up on the results of the operations.

2. Risk management operations

The Risk Management and Governance Committee is responsible for determining risks and the goals or objectives for managing those risks. by selected for management must be specific risks. Set goals that are measurable and achievable and consistent with business strategies and goals.

The selected risks will then be managed according to the Risk Matrix, with the risk level being determined based on the severity or impact on the business and the opportunity to occur.

The Company may select risks with the highest impact or unacceptable risks, even if they have little impact, to be identified risks, with methods to respond or manage risks according to the guidelines following:

- 1) Avoidance risks
- 2) Accept the risks
- 3) Reduce risks
- 4) Sharing or Transferring Risks

3. Risks determination and selection

3.1 Strategy risks

Marketing and sales risk

The Company is at risk from the fact that the Company's products mostly rely on sales in foreign markets, which are starting to be affected by the increasing competition, which may result in production exceeding market demand. The Company is exposed to product risks due to the increasing number of players in the Wood Based Panel industry, resulting in product competition. The Company reduces such risk by continuously and consistently researching and developing new products and products mix, including expanding the market to the Middle East countries to ensure that the Company can continue to compete in the market sustainably

The company is exposed to risk from distribution channels as an exporter. The company manages such risk by increasing the distribution channel as Bulk because the shipping cost is cheaper and payment can be received faster than container transport, which is difficult to find containers and more complicated to transport.

3.2 Operational Risk

Risks from managing and controlling production costs effectively

The Company's main production costs are raw material costs and energy costs, as the Company's raw materials rely largely on natural resources. The Company is exposed to the risk of natural resources growing beyond production capacity. The Company manages this risk by planning production appropriately, increasing production capacity by approximately 40% of MDF, along with managing inventory, including building relationships with communities, the Company also faces risks and challenges in managing energy costs efficiently on an ongoing basis. The Company assesses the risks in energy cost management as being relatively low.

The company is at risk of transporting goods to overseas markets due to political conflicts, which may affect transportation and may require longer periods of time or higher transportation costs. The Company manages such risks by setting selling prices that can cover such costs, which are considered to be within the range that can be operated.

Financial risk

More than 75 percent of the Company's sales revenue is from sales abroad, which exposes it to exchange rate risk, which may fluctuate and affect the Company's performance. The Company manages risk by setting selling prices based on reference prices of Global Commodities and use exchange rate risk management using the Natural Hedge method, where the executives oversee and closely monitor the exchange rate situation.

In addition, the Company has a policy to manage its working capital by borrowing from domestic financial institutions for the most part. The Company's loans have floating interest rates, which is a management approach for managing interest rates to achieve maximum efficiency. The borrowings require the Company to maintain certain financial conditions which are normal for borrowings. The Company assesses the risk that the Company will not be able to comply with the financial covenants as very low. However, the Board of Directors and the Executive Committee will closely monitor the situation.

Liquidity Risk

The Company has a relatively high proportion of receivables and inventories, which are liquid assets that can be converted into cash within a short period of time. However, such assets are still at risk if they are not managed properly, such as low inventory turnover or slow receivables turnover. The determination of the credit term may result in a decrease in liquidity of such assets, which may affect the adequacy of recording allowances for impairment of such assets. The Company responds to such risks by setting a policy for providing credit for sales and strictly adhering to it. The Company considers the ability to repay debts, including sales terms or reduces sales, and provides credit to customers who have a behavior of delaying debt repayment.

Human resource management risks

Human resources are an important resource in supporting production and operations, both in terms of personnel numbers and employee turnover rates. The Company assesses human resource management risks as material risks. The company has positions that are at risk of succession. The Company manages such risks by promoting continuous training and development to select talent, including the creation of performance evaluation programs, promotions and increased compensation.

Access to AI technology is a challenge for the company in managing human resources to keep up with the development of such technology. The Company manages such risks by encouraging employees to use such technologies in their work to increase efficiency, speed and competitiveness.

Compliance risks, laws and regulations

The Company's business operations involve both domestic and international businesses. In particular, the Company's sales revenue, more than 80 percent, is from overseas sales. Therefore, in addition to complying with Thai laws and regulations, the supervision of foreign governments that are the Company's trading partners must also be taken into account when there is a change in the law. Related rules and regulations. In response to changes in government policies in each country, the Company places importance on managing change risks and complying with laws. Related rules and regulations. The Company manages risks by assigning the Risk Management and Corporate Governance Committee and the Compliance Department to monitor changes in laws in Thailand and the countries in which the Company operates its business, study the details and impacts on the Company and its group of companies, including communication with relevant agencies in order to be able to comply with the law and regulations.

Risks from crisis management and business disruption

Business operations in general are subject to disruptions from unexpected internal and external events such as machinery disruptions, strikes, gatherings or disturbances in the community near the factory, natural disasters or emerging diseases (COVID-19), etc. Although the above risks are not material to the Company at this time, the Company has prepared a Business Continuity Plan and has taken out business interruption insurance. to prevent risks in such cases, systematic testing of compliance with the plan has been established at regular intervals.

Corruption risks

The Company has declared its intention to create an organizational culture in the matter of anti-corruption by joining the Private Sector Collective Action Coalition Against Corruption (Thai CAC) project of the Thai Institute of Directors Association. The Company assesses the risks associated with corruption as follows:

- Conflicts of Interest from Transactions with Related Companies The Company has a large number of subsidiaries and affiliates and has a number of related party transactions, which may involve risks in pricing of related party transactions.
- The Company is at risk of potential occurrences whereby its employees purchase convenience in contacting government officials, giving or receiving gifts, providing financial support and donations to political parties.
- Government project bidding.

The Company manages such risk as low. However, the Company has established policies and practices on anti-corruption, communicated with employees and business partners, and arranged for inspection and supervision of compliance with such policies and practices.

3.3 Emerging Risks

Today's business is changing rapidly and creating new potential risks that the Company must closely monitor and manage. These risks may affect the Company's business operations in the next 3-5 years such as geopolitical changes or the impact of climate change, etc.

Geopolitical risks

Risks arising from political factors leading to international conflicts, such as the war between Russia and Ukraine or the Middle East war between Israel and Hamas, and the implementation of trade policies. The United States of America trade barriers against China and other countries could have direct and indirect impacts on all industries around the world, especially exports. The Company limits its risk by considering and selecting customer groups, selling products to customers in countries that are not likely to create conflicts with other countries.

Risks from climate change

The Company is aware of the risks arising from climate change, such as the El Nino, La Nina phenomenon, which results in floods, droughts, and increased PM 2.5 dust levels. Such risks may affect the Company's raw materials, which are mostly natural resources, causing the Company to have to store more and longer stocks of wood scraps. The company manages by increasing the efficiency of storage and management of inventory costs by referring to real-time and timely information in planning production and managing inventory.

Cyber threats and emerging diseases

The risk of cyber threats may cause the Company to have to stop the production process, especially if the Company's machinery uses production control technology. The Company places importance on the basic management system of information technology (IT Infrastructure) and has established internal control of information security, including planning to audit the internal control system of information.

Emerging disease risk is an uncontrollable risk that, if it occurs, may cause the Company's production to stop. The Company has planned to cope with and manage such risks through the preparation of a business continuity plan and regular testing of compliance with the plan.

3.4 Environmental, Social, Community and Governance Risks (ESG)

Safety, health and working environment risks

The company emphasizes on creating a safe working environment for employees for good hygiene and reducing the risk of danger during work by providing protective equipment. The company provides annual health check-up welfare, Including group insurance for employees. In addition, factory workers must be trained on work safety and have strict punishment rules for employees who do not comply. Setting goals for safety in factory operations, etc.

For community and social practices, the Company is aware of the impacts of the production process that disturb nearby communities, whether it be wastewater or dust and smoke from the production process. The Company responds to such risks by managing the business value chain using water or wood scraps left over from the production process can be used as raw materials or materials for production throughout the value chain from upstream to downstream, making the company confident that it can limit all risks in this area.

Human rights risks

The Company places importance on equality of human rights. The Company's executives have organized workshops to enhance understanding and assessment of human rights risks for employees, results of the workshop found that the company has a policy of treating employees equally, but there may be a risk of affecting the human rights of the community or other stakeholders such as external service recipients (outsourced) or external employment, the Company considers reducing the impact of risks by creating a system to monitor and control the employment of external service recipients to comply with the Company's policy framework regarding human rights protection.

3.5 Investment risks for securities holders

Risk of incomplete disclosure

It is a risk that may arise from incomplete disclosure of information. The Company distributes such risk through the Company's management structure, with the Board of Directors determining the policy and monitoring compliance with the policy with a subcommittee responsible for implementing the policy, inspecting and controlling the operation, reporting the results completely, providing transparent information under good governance in 2024. The Company has established a Risk Management and Governance Committee, a Nomination and Remuneration Committee, and a Sustainability Committee to consider and implement.

3. Driving Business for Sustainability

3.1 Driving Business for Sustainability

Vanachai Group Public Company Limited is committed to its vision and philosophy in business operations, namely “Forest Conservation”, to which Vanachai Group adheres as the Eco-friendly working principle. Since the company’s establishment, Vanachai Group has 2 key objectives and goals which include:

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

Initially, from the basis of nature and environment conservation towards sustainable development at present, which is the heart of every business process by driving the business for sustainability under the corporate governance framework with the emphasis on transparency and accountability. In addition, the Group conducts the business with responsibilities on economic, social and environmental aspects, as well as is responsible to stakeholders throughout the business value chain.

As a leader in the wood-based panel industry in Thailand, together with being a leader in conserving forest resources, this is a proof that Vanachai Group is not only committed to development of production potentiality and competition, but also is constantly aware of the importance and value of natural resources. Vanachai Group has developed the industry into eco-friendly and sustainable production with the goals to reduce uses of wood from natural forests and encourage the efficient use of circular materials. Vanachai Group aims to build sustainability throughout the value chain, from preparing raw materials from sustainably-managed wood sources and scraps of wood in community, to use of low-emission production technology, by integrating environmental lines in every business process. Vanachai Group is committed to investments in renewable energy, including biomass power plant and solar energy, in order to reduce carbon footprint emission. Moreover, the Group has developed wood board production innovation of MDF, Particleboard, OSB and other engineered wood products by using glue that is eco-friendly and consistent with international standards.

In driving sustainable growth, the trend on eco-friendly construction material demand is expanding globally. Vanachai Group is ready to be a leader in this change as well as is expanding the business opportunity by opening Woodsmith, a retail shop that sells wood-based panel products in response to consumer demand and the construction industry. In addition, the idea of Circular Economy is employed in all of our production processes, from maximized utilization of raw materials to recycling of leftover materials by processing into biomass energy.

Vanachai Group is committed to stakeholders and the environment. It continues to consistently develop in order to be in accordance with global sustainable development ways. Also, the Group is committed to invest in the eco-friendly production process, renewable energy and efficient use of resources, in order to general positive impact to the society and environment. With the belief that cooperation with customers, communities and business alliances, this will help Vanachai Group to create innovation, develop and become a true leader in the sustainable industry.

3.2 Sustainability Management Policy and Goal

In 2023, Vanachai Group has established a policy, plan and strategic goals on sustainability so as to be in line with the vision to commit to conduct the business based on sustainability, according to the goal “**protect the future of forests together, to live a sustainable life**”, with the vision “**to preserve the future of forest together, to be a leader in a business aiming towards a more-eco-friendly tomorrow with a solution to use wood creatively as the innovation from Vanachai in support of sustainable living and preserving the valuable forest ecosystem**”. Vanachai Group conducts its business with governance, responsibility to the environment and society by combining circular economy, waste reduction and aiming for carbon neutrality.

Vanachai Group emphasizes environmental conservation through uses of renewable resources efficiently, investment in clean energy such as biomass and solar energy and conservation of biodiversity. With respect to sustainable economic growth, Vanachai Group creates eco-friendly products, develops efficient production, and reinforces value chain sustainability. Vanachai Group also adheres to social responsibility by promoting labour rights, safety and employee potential development, together with supporting communities with sustainable development projects.

Besides, Vanachai Group places importance on governance and observance of “**the concept of sustainable business operations**” (Environment, Social, Governance: ESG) by conducting its businesses with transparency, management of social and environmental risks with consistent monitoring. With this path, Vanachai Group continues its determination to the future with abundant forests, sustainable growth of communities and innovation that drives towards the eco-friendly world. Moreover, the Board of Directors has approved the Group to drive the business for sustainability with regular performance reports based on this policy and goal.

3.3 Review of sustainable development path

The year 2024 is the second year that Vanachai Group continues the sustainability development. Sustainability is not only an organization goal but also the key principle that drives the business forward. This year, Vanachai Group takes the proactive means to strengthen the sustainability structure, reflecting the commitment to the environment, social advancement and excellent governance.

The important step in 2024: **Escalation of Commitment to Sustainability**

- **Establishment of the Sustainability Committee**

To ensure sustainability be at the heart of the organization policy, Vanachai Group has established the **Sustainability Committee**, with the role in formulating strategies and guidelines that are consistent with the global environmental and social responsibilities. This Committee will have the duty to regulate and provide guidelines to run the business in compliance with the sustainability goal of the organization.

- **Appointment of the Specialized Task Force on Sustainability**

Vanachai Group has formed a task force on sustainable development in order to push forward sustainable projects and policies. This task force has an important role to promote eco- and social-friendly innovation, improvement of resource uses as well as reinforcement of positive social impact. This is to ensure that the Company’s sustainability strategy can lead to concrete outcomes.

- **Strengthening the Leader's Potential through Sustainability Training**

In order to create the organizational culture driven by sustainability, Vanachai Group has arranged a training project and provides knowledge on sustainability to the Sustainability task force and key employees. This project has been designed such that teams that drive and push forward the organization on sustainability, understand the principles such as carbon reduction, efficient use of resources, and social responsibility, so as to strengthen the foundation for Sustainability Leadership within the organization.

- **Enhance the Vision of Opportunity and Risks via Risk Assessment and Material Issue Assessment Review (Double Materiality Assessment – DMA)**

In 2024, Vanachai Group has conducted the analysis of risks and material issue assessment review according to the Double Material Assessment (DMA) framework that has been prepared in 2023. This helps to be able to identify sustainability risks and financial material issues that affect the organization. This assessment reflects the consistency between the sustainability risks and business opportunities. The analysis of such assessment identifies and prioritize the sustainability issues that have significant impacts on the current and future performance of Vanachai Group, including the issues that affect the society and environment. This enable Vanachai Group to adjust its strategic goals to coincide with the ESG reporting framework as well as stakeholders' expectations and requirements of relevant rules and regulations both at the national level to the international level. Also, this help the Company to be able to decide on the correction of issues that affect the business operations on an accurate and timely basis, hence to assure success in the long term and positive environmental and social outcomes. This enable Vanachai Group to see the opportunity to adjust and improve the organization more efficiently.

Driving changes towards sustainability throughout the value chain is an action that is an important step in the path to sustainability of Vanachai Group. The commitment is not only an eco-friendly business operation but also includes the integration of the sustainability concept into the organizational culture with the intention to create value to the environment and society as well as to consistently develop the wood-based panel industry so that sustainability is the key driving force to the Company's growth.

3.4 Governance and Management of Sustainability

Vanachai Group determines that sustainability governance is the key factor driving the vision of being a leader in wood-based panel product innovation, together with the conservation of forests and environment. This blends in the sustainability guidelines with the organizational strategy so that the guideline for the Environment, Social, and Governance (ESG) is a part of every operational process. In doing so, the Sustainability Committee is set up to strategically regulate, formulate policies and goals that are consistent with the international sustainability standards while the Sustainability working team and the management team are responsible for run projects, monitor results and push forward developments on a continuous basis.

Vanachai Group is committed to conduct the business with strong governance. It emphasizes on transparency, responsibility and business ethics in order to ensure trust with its stakeholders. In addition, the Group employs the risk management framework that covers climate changes, environmental impact and social responsibility, to ensure efficient management of risks and sustainability opportunity. Performance on sustainability will be assessed and reported on a regular basis according to the industrial standards and international performance framework.

Vanachai Group continues to commit to building of sustainability culture by participating with employees, clients and business partners in responsible operations that support the circular economy, carbon neutrality, and social wellbeing, by developing innovation and improving governing mechanism consistently. Vanachai Group is continuing to create long-term value to all sectors as well as to protect natural resources for the next generations.

3.5 Sustainability Strategies

Vanachai Group lays down the business driving guidelines for sustainability in line with the vision “to preserve the future of forest together, to be a leader in a business aiming towards a more-eco-friendly tomorrow with a solution to use wood creatively as the innovation from Vanachai in support of sustainable living and preserving the valuable forest ecosystem”. Thus, sustainability is not only a vision or mission, but also a foundation of business strategies that consists of 3 main strategies: FOREST – FUTURE – TOGETHER, covering key issues on sustainability of Vanachai Group.

As a leader in the wood-based panel industry, Vanachai Group is aware of the importance of economic growth together with the environmental conservation, social responsibility and good governance, by committing to integrate sustainability into every process of the organization, from production, innovation to development of business partner networks, promoting business operations towards long-term growth, as well as to deliver the positive value to all stakeholders throughout the business value chain appropriately. In addition, the Sustainable Development Goals of the United Nations are promoted to create the sustainable value to the stakeholders.



3.6 Sustainability Strategy Plan 2023 - 2025

The Sustainability Strategies of Vanachai Group are consistent with the ESG framework (Environment, Social and Governance) by linking the material topics on sustainability to ensure that the Company's business operations help to preserve forests, reinforce community strength, and uplifting business standards towards more responsibility.

- 1) **Strategy on forest conservation and environmental conservation promotion (FOREST)** is an environmental strategy of Vanachai Group that focuses on natural forest conservation, responsible resource management, and dealing with climate change. This strategy places emphasis on sustainable resource management, protecting natural forests, and responsibly obtaining raw materials. Vanachai Group encounters the climate change crisis with the carbon reduction strategy, promoting use of renewable energy and developing energy efficiency, in order to drive the organization to a low-carbon economy. In addition, Vanachai Group is giving importance on management of pollution, waste and water resources via the cutting-edge waste management system in order to reduce environmental impact and improve circular economy efficiency. These endeavors enable Vanachai Group to become a leader in forest conservation and eco-friendly production in building a more sustainable future.

In this regard, Vanachai Group has operational guidelines in maximizing use of resources and maintaining the ecosystem balance:

- Advancing the **Bioeconomy** to Preserve **FORESTs** and Natural Resources via biodiversity attention
 - Protect and rehabilitate biodiversity in areas in which our business is conducted;
 - Use renewable resources to reduce reliance on nonrenewable resources.
- Advancing a **FOREST-Centric Circular Economy** for Sustainability and sustainably use of resources
 - Improve resource use, reduce waste and recycle leftover materials;
 - Improve production processes to reduce environmental impacts.
- Transitioning to a **Green Economy** While Preserving **FOREST**, towards carbon neutrality.
 - Reduce greenhouse gas emission in every work process;
 - Use renewable energy and improve energy efficiency in production plants.

- 2) **Strategy on co-conservation (TOGETHER)** is a social strategy of Vanachai Group, whose belief that sustainability not only means business operations but also building positive impacts on employees, communities and customers. Vanachai Group is committed to developing the local economy and creating value to the community by supporting projects that help to develop quality of life of the locals in which the Group is conducting its business. In this regard, Vanachai Group has recruited employees in the fragile group in order to create human value and reduce family/community's burdens, as well as to take care employees closely by focusing on safe and healthy working environments, skill development, promoting equality and diversity within the organization so that all employees have an opportunity to progress and develop to their full potential. At the same time, Vanachai Group is aware of changing purchasing behaviors of customers, thus the Group develops eco-friendly products in order to respond to the market demand that drives towards sustainability, and also focuses on creating maximum satisfaction for customers. With these guidelines, Vanachai Group is becoming towards an organization with more equality, coverage and social responsibility.

In this regard, Vanachai Group has operational guidelines in developing the society towards equality while uplifting quality of life of employees and communities:

- **Maintaining the society together: “Together, We Protect and Uplift Society”**
 - Build technical cooperation with academic institutions, support, promote and develop education quality in wood-based panel industry, e.g. technical cooperation with King Mongkut’s University of Technology North Bangkok;
 - Plant perennial plants no less than 1,500 plans per year.
- **Maintaining communities together: “Together, We Preserve and Strengthen Communities”**
 - Encourage development of communities in which the Company is conducting its business, via projects on education and environment, including development for forest conservation, planting activities with the community;
 - Amount of wood scraps purchased from farmers, generating income to communities, reduce pollution from burns.
- **Maintain employees together: “Together, We Support and Empower Our People”**
 - Safe and happy working environment;
 - Encourage skill development and employee’s potential on a consistent basis;
 - Respect human rights and promote equality in the workplace;
 - Encourage observance of fair labor standards.

3) **Strategy on building a sustainable future (FUTURE)** is a strategy on governance and regulation of Vanachai Group that aims to build strong governance as a foundation of business that is secure and growing sustainably, adhering to business ethics. In this regard, operations are conducted with transparency, code of conduct, and following the international standards as well as being aware of the importance of sustainable value chain and responsible management of supply chains by working together with partners that have the same sustainability guidelines in order to create flexibility and stability in the supply chain system. In addition, Vanachai Group places importance on building social and environmental innovations through developing products that reduce the environmental impacts and help promote sustainability in the industrial sector to ensure economic growth with responsibility. Therefore, Vanachai Group emphasizes the responsibility on products and services to ensure every product in line with the sustainability principle while monitoring geographical trends and international relations closely so that the exporting business can be adapted to the rapidly changing environment. With these guidelines, Vanachai Group is committed to become an organization that conducts businesses with ethics, innovations and ready to handle the future; Vanachai Group emphasizes on the importance of human resource development towards sustainable growth by encouraging employees to be equipped with knowledge and capability to support the sustainability goal in the long run.

In this regard, Vanachai Group has operational guidelines in building strong governance framework as a foundation of secure and sustainable business:

- **Build a secure business future with good governance: “Shaping a Sustainable FUTURE Through Strong Good Governance”**
 - Transparency, integrity and responsibility towards the organization and shareholders;
 - Reinforce the risk management system and develop the governance procedure.
- **Create a new market with eco-friendly product innovation: “Creating a FUTURE Market with Eco-Friendly Innovation”**
 - Invest in development and eco-friendly products;
 - Expand products that respond to the sustainable trend in the world market.
- **Build the future with business partners In order to reinforce stability of the supply chain: “Building the FUTURE Together with Business Partners for a Resilient Supply Chain”**
 - Develop a sustainable supply chain network and reduce external risks;
 - Work together with business partners to encourage sustainable standards in the industry.

The ESG strategy of Vanachai Group shows the commitment in responsible business operations by setting the goal to conserve natural forests, building community’s strength, and uplifting the governance standard. The three strategies connect with the material topics of sustainability so as to ensure that the Group is able to conduct the business with responsibility with steady growth. Therefore, “FOREST FUTURE TOGETHER” is not only a strategy but also the foundation of business operations of Vanachai Group that help to create positive impacts to the environment, society and economy to grow sustainably together.

To preserve the future of forest together, to be a leader in a business aiming towards a more-eco-friendly tomorrow with a solution to use wood creatively as the innovation from Vanachai in support of sustainable living and preserving the valuable forest ecosystem.



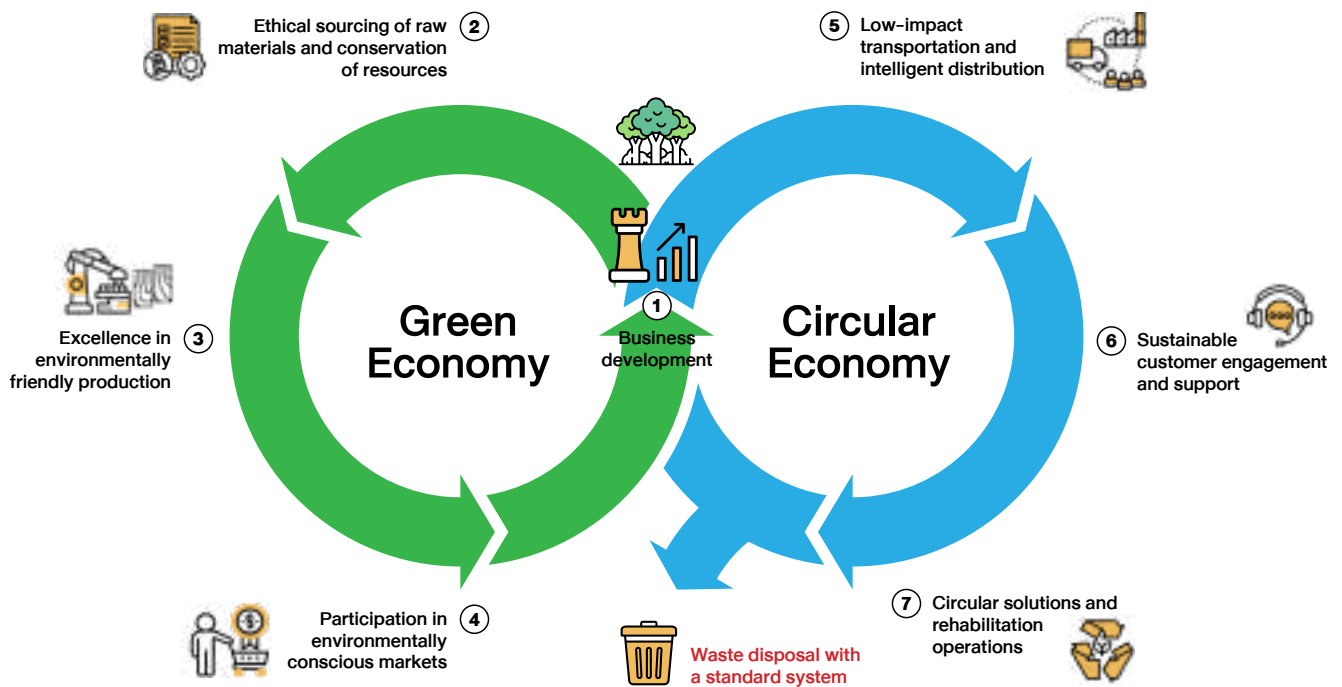
Operational Framework as the Sustainability Foundation

3.7 Business Value Chain

Vanachai Group has held a workshop and reviewed the operations of the Group, and managed the value chain appropriate to the operational activities, from existing 4 activities in the business chain to 8 activities that are consistent and connected. In transitioning to the new value chain of Vanachai Group, in order to complete operations and ensure sustainability in all aspects of the business, such a change reflects our commitment to produce high-quality wood-based panel goods, together with combining the sustainability concept within the core of the organization. By changing from the existing practices to new activities, starting from creating business opportunities and development of strategic sustainability emphasizing innovation, resource provision with ethics, eco-friendly production and circular solutions, Vanachai Group desires to respond to challenges on efficient use of resources, climate change, and environmental care. These changes will help to reduce the environmental impacts, to respond to increased expectations of stakeholders, and to encourage circular economy in order to generate good impact to the world and the next generations in the future.

The new value chain is an important step that Vanachai Group moves to the path to achieve a complete circular economy, by combining development of strategic sustainability from studying opportunity, use of innovation, resource provision with ethics, eco-friendly production, to building and encouraging the eco-friendly market, impact-reduced goods distribution as well as supporting customers on sale, installation and after sale service. This is to ensure the best experiences obtained by customers. Finally, management of expired products into the circular system is development of completely connected systems that focuses on environmental care in every step of the value chain. This change not only helps to reduce waste and improve resource uses, and consistently reuse materials, but also to drive innovation, increase performance efficiency, and encourage cooperation in every part of the value chain by adjusting business operations to be in line with the circular economy principle.

By taking the value chains that cover and are connected, Vanachai Group has strengthened as the leader in the wood-based panel industry, stressing the commitment in building eco-friendly and sustainable future for everyone.



3.8 Stakeholders

Vanachai Group strongly believes that stakeholder participation is the heart of the path to sustainability. It reflects the commitment in building trust, transparency and strong cooperation that achieve the mission to drive sustainable growth together with the environmental conservation. Vanachai Group is aware of the important role of stakeholders in determining the business operation guidelines and the organizational strategy.

In the Sustainability Report, Vanachai Group has identified key stakeholders for 10 groups in the year 2023, including employees, customers (distributors), consumers, shareholders/investors, business partners, creditors, plant communities, regulators, and competitors. Goals are set in order to understand expectations, needs, and concerns of each group clearly on a regular basis, in order to create consistency and respond to joint goals efficiently.

Vanachai Group aims to a good relationship with all stakeholders considerably. Also, the Group is aware of the importance of creating relationships and the maximum benefits that may arise, and has taken positive and negative opinions and recommendations from stakeholders to make adjustments so that the operation processes improve and are effective, concern with the respect of human right, and equality and fairness to all groups of stakeholders. This is to create confidence and trust from all groups of stakeholders.

Vanachai Group determines the operational framework by referring to standards on stakeholders' participation AA1000 Stakeholder Engagement Standards (AA1000SES) which is the principle in identifying stakeholder groups throughout the business value chain. Analyses of needs, stakeholder expectations are conducted, including assessments and prioritization of stakeholder groups by using the criteria from impact and influence of stakeholder groups related to the operations of Vanachai Group.

Summary of Practices towards Various Groups of Stakeholders

| Needs/Expectations | Responses | Participation Channel | Performance Y2024 |
|---|---|---|--|
| <p><i>Employee Group: refers to a group of practitioners and driving the organization by "Employee Group" Vanachai Group refers to full-time employees, temporary employees including disabled employees or underprivileged. The Company pays remuneration at a fair rate and promote advancement of every employee on a fair basis, consistently with the policy and practice on the human right of labor.</i></p> | | | |
| <ul style="list-style-type: none"> - Remuneration / welfare / benefits on a fair basis and employee relations activity - Health and Safety, good quality of life in working - Learning and skill development (Reskill and Upskill) and increase potentials to support business changes - Fair assessment of performance - Efficient communication throughout the organization - Provision of channels for complaints and expression of opinions on the organization | <ul style="list-style-type: none"> - Arranging the working environment that encourage happy working (Happy Working Place) - A performance evaluation system that is efficient and accountable - Support development of potentials and growth in the organization valuably - Prepare an appropriate knowledge development training plan and promote innovation to encourage initiatives / creativity - Prepare and encourage health and safety activities - Clearly determine growth structure in occupation within the organization | <ul style="list-style-type: none"> - Communication between the Group with employees via various channels on a regular basis throughout the year - Employee relations activities - The Company's big meeting (Town Hall) - Executives-Employees forum activity - Skills development trainings - Complaints through various channels, e.g. phones, E-mail: vanachaihotline@vanachai.com, and Complaints Box | <ul style="list-style-type: none"> - Number of hours on employees' trainings and development, averages 6.82 hours per person per year - Expenses on employees' trainings 3,389,177 Baht. - Employees' Lost Time Injury Frequency Rate (LTIFR) is zero. - Employees' turnover rate is 0.91%, a reduction from the previous year of 0.17% - High Performance Employees' turnover rate is 0.04% - Complaint on ethics is "zero". - The ratio of female employees: salespersons is 1.00 : 2.05. |

| Needs/Expectations | Responses | Participation Channel | Performance Y2024 |
|--|--|---|--|
| <p>Shareholder and Investor Group: refers to persons, companies, or institutions that hold Vanachai Group's shares legally by one share or more. They will obtain benefits from the Company's achievements in the form of increased share value or dividend, receive the Company's news regularly, attend meetings and votes, have the subscription right to newly issued share offers, and the right to manage the Company, e.g. attending the shareholders' meetings, with the aim to generate constant growth and good returns in the long term.</p> | | | |
| <ul style="list-style-type: none"> - Increase the business competitive capacity and operational directions - Good business performance and growth, good profits and dividends - Good governance, transparent business operations - Efficient risk management and prevention - Maintain good corporate image to be acceptable to the society | <ul style="list-style-type: none"> - Manage the organizational risk systematically in making investment decisions and working processes covering aspects on the environment, society, economy and governance, including human rights - Good governance, transparent and anti-corruption of all forms - Communicate business information both financial and non-financial correctly and transparently - Chance of higher returns (Capital Gain) - Develop excellent goods and services for better revenue and good profits on a continuous basis | <ul style="list-style-type: none"> - News notifications through the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) - The Annual General Meeting of Shareholders (AGM) and reports - Notification of news to shareholders through the Company's website, E-mail: auditcommittee@vanachai.com, or telephone number 02 585 4900 | <ul style="list-style-type: none"> - 1 Annual General Meeting of Shareholders - PE = 9.51 - ROE = 3.15 - Debt to Equity ratio = 1.42 - Retained Earnings = 4,139.8 million Baht |
| <p>Customer Group: refers to distributor customers who are interested in a particular goods and take that goods to resell to customers, as a distributor, dealer who brings goods to resell to customers and helps to communicate goods and push forwards sale.</p> | | | |
| <ul style="list-style-type: none"> - Develop quality products and services that meet standards on a continuous and diversified manner - Competitive prices - Efficient supply chain management system and on-time delivery - Marketing support and promotions - Trainings and knowledge sharing | <ul style="list-style-type: none"> - Provide complete knowledge and demonstration of products and installation to dealers - Prepare a Manual on Products and Detailed Solutions together with Demonstration VDO - Organize sale promotion projects on a continuous basis - Organize a Complaint Hotline Center | <ul style="list-style-type: none"> - Annual Customer Seminar - Regular customer meetings by salesperson and executives according to a specified plan - Educate salespersons, promote goods at point of sale (Product Consultant: PC) | <ul style="list-style-type: none"> - No complaints on products and services remains to be handled within a specified time |

| Needs/Expectations | Responses | Participation Channel | Performance Y2024 |
|---|---|--|--|
| Consumer Group: refers to a group who buys and uses goods or services from Vanachai Group. They are contractors or direct buyers through WoodSmith shops, who are main stakeholders that affect the growth of the organization. The Company has set high importance to this group of customers and consumers according to the corporate governance policy, namely "Customers are very important persons for us". | | | |
| <ul style="list-style-type: none"> - Quality of goods and services - Raw materials / sources of raw materials - Services that respond to needs and impression - Atmosphere within Woodsmith Shop (Retail shops of Vanachai Group) and interesting decorations, exhibitions and cleanliness of the place - Advertisements / sale promotion activities - Appropriate goods prices - Product information - Business operations that do not create environmental impacts - Personal Information Security | <ul style="list-style-type: none"> - Acknowledge and understand customers' needs in order to deliver goods and services that correctly respond to real needs of customers - Provide complete goods information that is useful for making decision of customers to buy, and to service before and after sale - Develop servicing skills for shop assistants and staff who have to contact customers to create good experiences - Sale promotion and responsible promotion (Responsible Marketing) - Develop complaint channels / solve problems on goods and services quickly | <ul style="list-style-type: none"> - Survey of customers satisfaction - Participate the annual goods exhibition "Architect Fair: ASA EXPO" - Services for demonstration, knowledge talks on goods at the retail shop of finished wood, WoodSmith - Presenting goods and promotions - Obtaining complaints via WoodSmith channel | <ul style="list-style-type: none"> - Participate in the Architect Fair 2024: ASA EXPO during 30 April – 5 May 2024 - 2 Technical Seminars at WoodSmith in 2024 |
| Client Group: Clients refer to sellers of goods, employees and/or service providers, both as a juristic person or an ordinary person, to the Group, including sub-contractors of such sellers of goods, employers and/or service providers. | | | |
| <ul style="list-style-type: none"> - Transparent procurement and payment of fair returns - Stability of financial status - Opportunity to work with the Group in the future - Safe working environment - Reduction of energy use in the production process - Leak of personal information | <ul style="list-style-type: none"> - Provide an equal opportunity to clients in trade competition - Competition from bidders and appropriate and fair selection - Criteria in assessment and client selection, as well as prepare a contract that is appropriate and universal - Develop and maintain sustainable relationship with clients with clear objectives regarding quality and services | <ul style="list-style-type: none"> - Meetings between the Group and clients - Study trip/assessment of clients' performance in order to develop business together - Visit and assessment of the client's ESG - Data protection process - Provision of complaint channels | <ul style="list-style-type: none"> - Assessment of the main clients (Critical Supplier Tier 1) 100% - 1 Visit and assessment of the client's ESG - Client complaint is "zero" |

| Needs/Expectations | Responses | Participation Channel | Performance Y2024 |
|--|--|--|---|
| Business Partner Group: refers to persons, a group of persons, or companies that cooperate and support the business together in the long term by bringing strengths of every party together so as to achieve the strategic goal in the same direction. Vanachai Group is committed and equally act towards business partners on an fair basis by considering mutual benefits. | | | |
| <ul style="list-style-type: none"> - Stability of financial status and good image of Vanachai Group - Capability, works, and professionalism of the team - Ability to business management and governance - Business alliance in the long term | <ul style="list-style-type: none"> - Maintain the quality of goods and services, and develop new efficient productions of goods and services in response to needs - Jointly formulate a plan and develop business potential in order to grow together in the long term - Strictly observe the business ethics including anti-corruption of all forms - Arrange communication channels for operational problems in order to jointly solve to the problems | <ul style="list-style-type: none"> - Meet to monitor progresses of the projects and operational plans including solving problems at the management level - Negotiate and consult new projects or cooperations in various aspects - Relations creating activities | <ul style="list-style-type: none"> - There are 30 successful projects in using products and services - Sell work projects by the amount of 1.5 million square meters - Meet to monitor works at least 1 meeting a month - 1 Technical seminar/transfer of knowledge |
| Creditor Group: refers to creditors occurred from normal business operations of the Company who will pay for the goods and services upon meeting the specified period. | | | |
| <ul style="list-style-type: none"> - Strictly follow the agreed contract and conditions - Settlement of principals and interests - Taking care of securities - Contingency plan for different situations including a clear future business protection plan | <ul style="list-style-type: none"> - Strictly adhere to and observe the conditions stipulated in the borrowing contract - Strictly observe the rules of financial institutions under the public sector's regulation | <ul style="list-style-type: none"> - Contact and coordinate, and cooperate to provide information to the bank credit analysts upon doubts on a correct, fast and complete basis - Cooperate with financial institutions if presenting more various financial services - Open opportunity for new institutions to present services | <ul style="list-style-type: none"> - No breaches of borrowing contracts |

| Needs/Expectations | Responses | Participation Channel | Performance Y2024 |
|---|--|---|---|
| <p>Regulator and Public Agency Group: refers to public agencies that are government agencies, state-owned enterprises, public organizations and agencies whose responsibilities are to stipulate rules or practice regulations, operational framework, as well as study of concepts. The Company strictly follows rules and regulations, laws and agreement frameworks as well as studies innovation concepts concerning construction material development and decoration components to follow relevant laws and regulations.</p> | | | |
| <ul style="list-style-type: none"> - Observance of laws and regulations - Transparency and ethics in business operations - Good governance - Advertisements / Packaging labels and consumer protection - Waste and sewage management - Assessment of carbon footprint of the organization (Carbon Footprint for Organization: CFO) - Disclosure of Environmental Data Report | <ul style="list-style-type: none"> - Being a good organization with governance, strictly following laws and regulations - Develop highly efficient operations and reduce impacts on the society and environment - Support the cooperative project to achieve the Sustainable Development Goals of the United Nations - Cooperate with public agencies in academics and public benefit activities | <ul style="list-style-type: none"> - Respond to policies and cooperation - Meeting or contact, coordination in various occasions - Meeting, seminars and participation in public/regulatory agencies' activities on a regular basis - Preparation of the Annual Report and Report on Sustainable Development - Disclosure of information on websites | <ul style="list-style-type: none"> - 1 attendance of meeting and seminar held by regulatory / public agency - 1 Study Visit |
| <p>Plant Surrounding Community Group: refers to individuals who gather together as a small community, live near the Company's office within the radius of 1.5 kilometers. This is determined as a short-distance community that Vanachai Group is committed to support the economy, community and society to focus on maintenance of the environment by specifying agencies to be responsible for taking care and responsible for the society. In addition, the organizational culture is encouraged and consciousness is built to everyone in the organization who will develop and reinforce the society, environment and stakeholders together with the sustainable growth of the organization.</p> | | | |
| <ul style="list-style-type: none"> - Development of communities surrounding the Company/Plant - Promoting local career and income - Respect the human right - Concern of the impact on the community and environment - Social assistances in various occasions | <ul style="list-style-type: none"> - Operate the business while making risk assessment in order to prevent / reduce impacts on the community, society and environment - Strictly follow the laws - Communicate and disclose working information of the Company in a correct, complete and transparent manner | <ul style="list-style-type: none"> - Establish a committee to consult with the community - Survey of the community's opinions by making field trips to meeting the community, activities supporting the community/society's participation - Complaint channels - Communication through the community relations agency | <ul style="list-style-type: none"> - Number of projects supporting the society is 88 projects - Number of employees participating in social and environmental activities is 1,232 employees - Time duration that employees participating in social and environmental activities averages of 4.50 hours/person/year - Result of community's satisfaction = 85% |

| Needs/Expectations | Responses | Participation Channel | Performance Y2024 |
|--|---|---|---|
| <i>Competitor Group: refers to persons, a group of persons, or companies that operate the same or close business with competition on products, service, marketing, and production, which benefits producers and consumers. As this encourages business development that leads to high quality and diversified goods as well as new innovations are developed and that consumers obtain maximum benefits as well.</i> | | | |
| <ul style="list-style-type: none"> - Carry out trading on a fair and lawful basis - Operate business with transparency - Cooperate at the industry level on the next national development | <ul style="list-style-type: none"> - Observe the universal competition rules, support the fair competition policy - Not attacking or adversely accusing competitors without clear and reliable evidence - Cooperate in doing activities beneficial to the overall society and the nation | <ul style="list-style-type: none"> - Joint meetings of the public sector regarding various cooperations - Meeting at seminars related to the industry | <ul style="list-style-type: none"> - No complaints on ethics from competitors - No negative complaints or news in doing business with competitors |

3.9 Sustainability Management with respect to the Environment

The commitment of Vanachai Group in taking care of the environment is the strategy on “Forest conservation and environmental conservation promotion – FOREST” which is the symbol of the foundation of environmental sustainability and stability. This strategy framework reflects the intention of Vanachai Group to build a balanced relationship with the nature by encountering with key environmental challenges with the mission on natural resource conservation and protection of the world for the next generations. Vanachai Group therefore gives importance to the natural forest conservation in order to protect biodiversity and the ecosystem.

With the climate crisis increasing severity, Vanachai Group has an operational plan that covers the reduction of impact of climate change, efficient energy management and responsible resource management. In addition, it also focuses on the pollution reduction and pollution emission management as well as promotion of sustainable practices in the management of waste and water. With these endeavors, Vanachai Group is confident that it is stepping into a balanced environmental care practice and consistent with our vision in building the abundant and sustainable forest future.

3.9.1 Environmental Policy and Practices

Vanachai Group is committed and holds on to the basic principles in conducting eco-friendly business operations by transmitting operational processes to employees in the organization, including social institutions and communities. This is to drive the society to foster under the good corporate governance so that the business is conducted with virtue by adhering to responsibilities towards all stakeholder groups for mutual sustainable benefits.

Provided the policy and practices consistent with environmental-related laws, rules and regulations relating to the business corporation of the Company and its subsidiaries, the Company is aware of the importance in conducting the business that attends to the environment. This helps to reduce the environmental problems and impacts on surrounding communities by emphasizing on the strategy on efficient use of natural resources and a measure to concretely reduce the environmental impact.

3.9.2 Environmental Performance

3.9.2.1 Conservation of Natural Forests - Biodiversity and Ecosystem Protection

Management, protection and sustainable rehabilitation of the ecosystem of natural forests are crucial to conserve biodiversity which plays a role in the ecosystem and supports all living things on earth. Vanachai Group's guidelines include the emphasis on **the reduction of natural resource uses** by promoting alternatives, by producing goods that employs technology and innovation focusing on using wood slaps, wood-waste, scraps of wood from managed forests, wood lot, expired industries such as rubber farms of more than 10 years and need to be cut down for new output, or scraps of wood from communities. Therefore, products of Vanachai Group continue to keep the beauty of natural wood touch as well as preserving the natural forests to remain as main wildlife habitats, source of carbon for climate control and source of air and clean water, and also the reduction of wood scrap burning from communities that create pollution and greenhouse gas.

3.9.2.2 Climate Variability at the Crisis Level (Climate Crisis)

Vanachai Group is well aware that the climate change is the main risk that affects business operations, causes problems to the supply chain and sustainability in the long term. In dealing with this challenge, the Group has analyzed the climate risk by identifying and assessing, both transition risks and physical risks according to the international standard guidelines such as Task Force on Climate-related Financial Disclosures (TCFD).

The transition risks are risks from the transition to low-carbon economy and low greenhouse gas emission which may affect the business with respect to laws and regulations, legal rules, the environmental policy, the market demand and technological innovation. Environment laws and regulations are stricter and the mechanism to determine the carbon price may affect the process of acquiring raw materials and production of Vanachai Group. This leads to self-adjustment in order to comply with new rules. Moreover, the change of consumer behaviors towards eco-friendly products, is a good opportunity that the Company has operational processes and developed new goods that are consistent with the international standards and friendly to the environment.

On the other hand, the physical risks occur from the direct impact of the climate change which may affect the procurement of raw materials, production processes, and goods distribution networks of the Company. Acute risks such as severe natural disasters such as flood, storm and forest fire, can create damages to forests, production sources, and transportation and goods distribution infrastructures. While chronic risks such as increased temperature and changing rainfall patterns, may affect the growth cycle of wood, biodiversity and the readiness of raw materials in the long term. This may cause the operational cost to be higher and increase uncertainty risks of the supply chain.

In order to efficiently handle the climate change risk, Vanachai Group has brought the Climate Resilience Strategies to be used in the operational processes by giving importance in sustainable management of forests and responsible procurement of raw materials, in order to reduce the environmental impact and build stability to the supply chain. In addition, the Group continues to invest in the production processes that use energy efficiently and low-carbon emission innovation, so as to be in line with the goal of greenhouse gas emission at the international level. Reinforcing the risk management framework is another key guideline to help forecasts and reduce impacts from situations relating to climate efficiently. Moreover, the Group continues to place importance on cooperation with the public sector, investors and the industrial sector in order that the business strategies in line with legal regulations and the changing market trend.

3.9.2.3 Greenhouse Gas Emissions & Pollutions Management

The main reasons of the greenhouse effect problem from business operations are on production with burns to generate energy or heat to machinery, on transportation and goods distribution with vehicle uses in the transportation system of the organization, use of electricity energy obtained from the power plant using natural gas, petroleum or coals as fuel. However, in the production processes of Vanachai Group has used own-produced biomass energy and emphasized efficient use of machinery equipped with heat conduction technology in order to reduce energy loss. There is the reduction of raw material loss in the production in order to reduce greenhouse gas emission as a whole as well.

Vanachai Group has projects that reduce use of electricity from power plants as mentioned above by installing the electricity energy system from solar rooftop, which can reduce the amount of greenhouse gas emission, totaling 6 projects as follows:

| Place (Plant) | Electricity Production | Amount of GHG Emission Reduction |
|--|------------------------|-----------------------------------|
| <u>Projects in operation</u> | | |
| 1) Saraburi Plant (Phase 1) | 3.538 MWp | 2,200.9 tCO ₂ per year |
| 2) Saraburi Plant (Phase 2) | 3.328 MWp | 2,070.4 tCO ₂ per year |
| 3) Saraburi Plant (Phase 3) | 1.801 MWp | 1,120.4 tCO ₂ per year |
| 4) Chonburi Plant (Phase 1) | 2.552 MWp | 1,587.5 tCO ₂ per year |
| 5) Chonburi Plant (Phase 2) | 0.739 MWp | 459.8 tCO ₂ per year |
| 6) Surat Thani Plant (Phase 1) | 3.242 MWp | 2,016.8 tCO ₂ per year |
| Total projects in operation in 2024 | 15.200 MWp | 9,455.8 tCO ₂ per year |
| <u>Projects under construction</u> | | |
| 1) Chonburi Plant (Phase 3, complete in 2025) | 1.250 MWp | 777.5 tCO ₂ per year |
| 2) Surat Thani Plant (Phase 2, complete in 2026) | 4.472 MWp | 2,781.7 tCO ₂ per year |
| Including new projects to be launched | 5.722 MWp | 3,559.2 tCO ₂ per year |



Besides, the Company and subsidiaries are under the study on the change of vehicle use in plants that use internal combustion engine, to use electricity-powered vehicles. This is another way to help reduce the GHG emission. However, Vanachai Group is determined to reduce the GHG emission of the Company and subsidiaries from business operational activities that are most possible so as to reduce the impact on the environment and to balance the social and business sustainability of the Company.

Regarding the pollution issue, Vanachai Group is committed to reducing the environmental impact through sustainable production processes. Even though performance of biomass plants may create pollution, the Company has employed strict pollution control measures so as to follow the environmental law as well as operated the zero-waste system for saw dust by bringing back all of wood dust back to use in the production processes without releasing the dust to the air. Moreover, the noise pollution from the Company's plants is low and complies with the legal standards in order not to affect the surrounding communities. By efficient resource management and responsible operations, Vanachai Group continues to emphasize on the environmental sustainability together with maximum production standards.

3.9.2.4 Energy Management

Energy management is an important issue for Vanachai Group. Since this has a direct effect to the sustainability goal, operational efficiency, and commitment towards carbon neutrality. Efficient energy management relates to increased energy consumption, changes to renewable energy sources, and uses of innovation to improve the processes in order to reduce energy loss.

For Vanachai Group, this issue is of special importance since the production processes of wood board and wood floor require a high level of energy. By using energy-saving technology, increased use of renewable energy, and a solution of processing waste into energy, it can reduce the environment impact and reduce the operational cost. In addition, efficient energy management continues to significantly drive the organization towards a net carbon creditor.

Providing knowledge to employees and integration the energy conservation guidelines into every process throughout the business chain helps to make energy management a joint attempt to the entire organization. This mutual understanding will help every work segment to efficiently take part in the achievement the energy and sustainability goals of Vanachai Group. Moreover, efficient energy use management is assured by dividing into electricity energy, thermal energy and alternative energy.

| Energy Consumption | Unit | 2021 | 2022 | 2023 | 2024 |
|--|-----------------|----------------|----------------|----------------|----------------|
| Electricity Consumption | | | | | |
| - Amount of electricity consumption of the Company | Kilowatt – Hour | 134,503,907.82 | 126,825,522.73 | 131,724,975.06 | 109,514,155.78 |
| - Electricity expense of the Company | Baht | 404,361,106.44 | 448,608,703.19 | 533,902,464.70 | 389,575,109.98 |
| Petroleum and Fuel Consumption | | | | | |
| - Diesel | Liter | 1,329,747.00 | 1,264,650.94 | 1,474,663.00 | 1,438,345.00 |
| - Benzine | Liter | 3,721 | 4,201 | 3,841 | 2,813 |
| - Liquid Propane Gas (LPG) | Kilogram | - | - | - | 569,609.02 |
| Expenses on petroleum, LPG, and fuel | Baht | 29,772,518.69 | 37,390,851.83 | 42,460,455.45 | 39,528,080.67 |
| - Averaged fuel expense per liter | Baht / Liter | 22.33 | 29.47 | 28.72 | 20.96 |

3.9.2.5 Water Management

Water management is another main issue for Vanachai Group to commit in water resource conservation and efficient water management, in particular, increased water consumption, responsible waste water treatment, and reduction of impact on local water sources. For Vanachai Group, this means integrating water-saving technology and waste-water recycling. The Company and its subsidiaries manage water used in the production process and maximize water reuse from the production process while all used water will be sent to the treatment process without releasing water from the production process out of the plants. This ensures treated waste water follow or better than the environment standards, helps to reduce the impact on the ecosystem and encourage access to clean water of the local communities, preventing the impact to the environment and surrounding communities. In addition, a rain water storage system is used to reduce reliance on freshwater sources.

Besides, monitoring and transparent reporting of water consumption will help to create responsibility within the organization, as a responsible producer and complying with the global sustainability goal. This mutual understanding will help the task force to be able to emphasize on water conservation and apply best practices in the daily working processes.

| Water Consumption | Unit | 2021 | 2022 | 2023 | 2024 |
|---|-------------|-----------|-----------|-----------|-----------|
| - Amount of water supply consumption | Cubic meter | 136,483 | 127,669 | 153,438 | 165,259 |
| - Expense on water supply consumption | Baht | 1,637,796 | 1,532,028 | 1,841,256 | 1,983,108 |
| - Recycling rate of waste water from the production | % | 100 | 100 | 100 | 100 |

3.9.2.6 Waste Management

In Vanachai Group's production processes, scraps of wood are used as the main raw materials in production. The Company can bring wood scraps leftover from other industries, e.g. scraps of rubber wood from branches, tips or small trunks that cannot be processed, or scraps leftover from processing and scraps that gardeners trim, so that these scraps are not brought to burn which will create pollution to the environment and add to the global warming. Vanachai Group takes those scraps to use in the production for their most value without disposing as waste in the production process. By using the modern production technology, waste from the production, such as dust, can be brought back into the production process, leaving no waste from scraps of wood.

Vanachai Group also has waste management in the business operational processes in a systematic way according to the 3R principle (Reduce, Reuse, Recycle), with an efficient waste sorting system by category together with creating awareness and participation from related persons in order to reduce waste by means of landfill. In addition, the Group checks and measures environmental quality in its office and surrounding areas at least once a year. In 2024, it was found that the air, smell, noise and light quality standards are within the normal criteria stipulated by law, and no chemical leaks were found from business operations.

| Amount of Waste of the Company | Unit | 2021 | 2022 | 2023 | 2024 |
|---------------------------------------|----------|--------|--------|--------|--------|
| - Total amount of non-hazardous waste | Kilogram | 56,160 | 45,046 | 0 | 93,125 |
| - Total amount of hazardous waste | Kilogram | 15,850 | 20,600 | 26,490 | 79,245 |

3.10 Sustainability Management with respect to the Society

The commitment of Vanachai Group to take care of the society is to follow the strategy on “TOGETHER, we conserve” by believing in the principle of **Joint Accountability** that will lead to sustainable accomplishment. With this guideline, Vanachai Group is committed to build a sustainable and comprehensive social ecosystem by placing importance to employees’ welfare, customer satisfaction and wellbeing of local communities through local development and value creation. Vanachai Group participates to driving the economy and strengthening communities. In addition, it also emphasizes safe and healthy work environment for good living of employees while reinforcing employees’ skill development for their opportunities to foster in their profession and success in the long term.

Vanachai Group also focuses on equality and diversity, build the organizational culture that is open and values personnel in every group. At the same time, it aims to create understanding of customers’ changing behaviors in order to present products and services that are compatible with sustainable lifestyles while still gives importance to customer satisfaction by delivering high quality solutions and responses to consistently changing needs.

3.10.1 Social Performance

3.10.1.1 Local Development and Value Creation

Local development and value creation reflects the commitment of Vanachai Group in uplifting communities in the areas in which the Company operates, by jointly creating value through support of the local economy, society and environment. As a company who produces products from scraps of wood, this has an important role in supporting local development and opportunity creation via job creation, supporting local clients as well as sustainable resource use. While local economy development as well as respecting the culture context and the ecosystem are emphasized, social problems are dealt with through development projects that integrate into the business operational processes aiming to create measurable social benefits and positive impacts in the long term. In this regard, by working with stakeholders in the communities helps to strengthen the economic and social potentials of the communities.

| (Local Development and Value Creation) | Unit | Performance | | |
|--|-----------------|-------------|--------|--------|
| | | 2022 | 2023 | 2024 |
| - Situations or complaints relating to impacts on the environment or human rights to the communities | Number of times | 0 | 0 | 0 |
| - Expense for social development | Million Baht | 1.43 | 1.55 | 4.80 |
| - Participation rate in social activities | % | 33.74% | 41.45% | 68.33% |

3.10.1.2 Healthy and Safe Work Environment

The healthy and safe work environment is another main important issue of Vanachai Group that reflects its commitment in taking care of employees with respect to health, safety and wellbeing, as well as labor in the supply chain and other stakeholders for operational excellence and responsibility to the supply chain. This issue emphasizes on building workplaces for health and safety of employees, including labor in the supply chain working in the plant area while strictly observing highest standards. This operation includes applications of strict health and safety measures.

This operation includes protection from injuries and illnesses, identification of hazards and risk assessment, and preparedness as well as response to emergencies. In addition, Vanachai Group continues to give importance to safety promotion in employees' working by providing comprehensive safety trainings to increase awareness and preparedness. Monitoring and reporting situations in the workplaces help to build responsibility and develop consistent operations. Observation of occupational health rules and regulations and improvement of working conditions is expanding to partners in the supply chain to share health and safety responsibility as well.

| (Healthy and Safe Work Environment) | Unit | Performance | | |
|--|-----------------------|-------------|------|------|
| | | 2022 | 2023 | 2024 |
| - Number of situations relating to lost time injuries | Number of times | 0 | 0 | 0 |
| - Leave rate such as Lost Time Injury Frequency Rate (LTIFR) Absenteeism | % of Lost time injury | 0 | 0 | 0 |

3.10.1.3 Employee Skills Development

At Vanachai Group, we believe that employees are at the heart of success and path to sustainability. We are well aware that having growing and healthy personnel is a good foundation in driving the organization, creating innovation, excellent operations and achieving challenging goals such as carbon neutrality. For such a reason, Vanachai Group places importance to building workplaces that makes everyone feel the value with support and the opportunity to development oneself to their maximum potentials. The commitment of Vanachai Group starts from creating the culture of employee care whose focus is on balancing life while succeeding in work they must be happy in work as well. In addition, the Group continues to invest in developing skills and leadership so that employees can adapt themselves to changes in the industry and create career in the long term. Moreover, the Company is paying competitive remuneration and welfare in the same industry, reflecting the value of employees' performance.

Vanachai Group also focuses on special projects that promote participation and retaining employees, from cross trainings to increase skills to team building activities that encourage harmony within the organization. In addition, the comprehensive orientation helps new members feel pleased and conformed with the organization's vision from the first day. This intention to build workplaces not only attracts high potential candidates but also generates challenging projects that will be able to retain personnel. Vanachai Group wishes to be an organization that gives importance to employees' wellbeing, not only stable career but also giving a meaningful journey that everyone can be part of building sustainable and prospering future together.

| (Employee Skills Development) | Unit | Performance | | |
|--|----------------------|-------------|------------|------------|
| | | 2022 | 2023 | 2024 |
| - Trainings relating to development of both Soft Skills and Technical Skills consistent to every personnel level | Hour / person / year | 11.29 | 13.39 | 10.23 |
| - Expense on knowledge trainings and skills development for employees | Baht | 2,830,395 | 63,451,202 | 59,428,047 |

3.10.1.4 Equality of Opportunity and Diversity

Vanachai Group believes that equality of opportunity and diversity is not only a principle but an important factor that drives the organization to move with cooperation. By having diversified and comprehensive personnel helps the organization to be stronger and more powerful. The Company is committed to promote comprehensive employment and equal remuneration in order to create a workplace that everyone feels valuable and receiving support in showing their highest potentials. In addition, the Company continues to conduct a proactive business in which everyone can access, including the fragile group and those with special needs by adjusting physical and digital facilities along with a supporting policy.

The policy of work-life balance such as flexible working and maternity leave, helps to promote the environment that respects employee's personal needs. The Company sets a measurable target in order to ensure continuous progress towards achieving a culture of fairness, opportunity and respect, which is the heart of operations that not only a desire to include everyone but also empowering everyone who works together.

| Equality of Opportunity and Diversity | Unit | Performance | | |
|--|---------------------|-------------|--------|--------|
| | | 2022 | 2023 | 2024 |
| - Disabled employees or workers or other underprivileged groups | Number of employees | 27 | 26 | 23 |
| - Average remuneration ratio between female and male employees (employees) | Female : Male Ratio | 1:1.11 | 1:1.25 | 1:1.03 |

3.10.1.5 Customer and Consumer Behavior Change

Vanachai Group has well aware of behavior changes of consumers that the purchasing behavior of customers plays an important role in driving the change to a sustainable future. As a leader in the wood-based panel industry of Asia, the Company is committed to help customers make decision to choose products and services that are friendly to the environment with accurate supporting information by presenting sustainable alternatives and eco-friendly production processes while helping to reduce the environmental impacts to the society and the world as well.

In order to support the transition to sustainable consumption, Vanachai Group provides clear, transparent and traceably accountable information so as to ensure customer confidence in sources and environmental certifications of products. In addition, the Company also invests in building “**Vanachai WoodSmith**” as a source of actual product learning, products can be felt with experts ready to consult and demonstrate. With branches in every region, it can provide customers with knowledge regarding the environmental impact of materials and benefits of selecting products that are renewable and recycle. Moreover, customers can obtain knowledge through online applications with the ecosystem intentionally built for customers to be able to confidently decide with complete information.

The goal of Vanachai Group is not only to respond to customer needs, but also to desirably build motivation in changing behavior towards sustainability with transparency, traceable accountability and cooperation by committing to building a consumer community that attends to the environment and shares the vision of achieving carbon neutrality.

3.10.1.6 Customer Satisfaction

Customer satisfaction is the core foundation of the mission that Vanachai Group used to present sustainable wood products with high quality. In the generation that customers require both value and environmental responsibility, Vanachai Group is committed to step over such expectations by offering products that are not only durable, beautiful as natural wood, but also are environmental-friendly with the use of renewable materials, reduced emission of volatile organic compounds (VOC) and the use of energy-saving production process. This is to respond to the demand of customers who attend to the environment as well as participate in achieving the carbon neutrality goal.

The natural-like beauty, durability and easy maintenance are at the heart of creating customer satisfaction because the products can increase value and the working life in the long term. In addition, Vanachai Group continues to give importance to providing transparent product information so that customers can make decision with information. By giving importance to creative design, services that directly respond to customer demand, and competitive prices, Vanachai Group still adheres to customer satisfaction that remains the main drive of growth and path to sustainability.

| Customer Satisfaction | Unit | Performance | | |
|--|------|-------------|------|------|
| | | 2022 | 2023 | 2024 |
| - Assessment result of customer satisfaction on products | % | 97.3 | 97.8 | 97.4 |
| - Assessment result of customer satisfaction on services | % | 97.3 | 97.7 | 97.0 |

4. Management Discussion and Analysis: MD&A

4.1 Analysis of operations and financial position

In terms of performance in 2024, the Company and subsidiaries have a total sales income of 13,539.7 million baht, a reduction of 608.5 million baht from 2023 or 4%. Profit for the year was at 232.1 million baht, an increase of 416% when compared to 2023. This was mainly caused by concerns for economic direction and high competition in domestic and international markets. Exchange rates fluctuations and strengthening in the last two quarters of 2024 affected product sale prices, particularly foreign sales.

In 2024, the sales volume of the Company's main product, which is MDF Boards, was lower by 9% when compared to 2023. The average sale price increased by 3%, causing gross profit from MDF product sales to increase by 3% and causing gross profit to increase by 6% from 2023. Average sale prices of other products were lower, causing the Company and subsidiaries' gross profit to decline by 3% from 2023. And in 2024, the Company and subsidiaries earned profit from asset sales at 272.8 million baht, causing profit for the year to be higher than 2023 as previously stated.

Analysis of Profit of the Company and its Subsidiaries

In 2024, the Company and subsidiaries had a profit for the year of 232.1 million baht when compared to 44.9 million baht in 2023, an increase of 187.2 million baht or 416%, which had main causes as follows:

1. Total sales income declined by 608.5 million baht or 4% from 2023 due to a 9% decline in MDF Board sales volumes when the average sale price increased by 3% while Particleboard sales volumes increased by 5% and the average sale price declined by 4%. Sales income was divided into domestic sales income and foreign sales income as follows:

| | Unit | 2023 | 2024 |
|--|--------------|-----------|-----------|
| Revenue from sales - domestic | | | |
| • Sales to general customers | Million Baht | 2,159.41 | 2,140.61 |
| • Sales to related companies | Million Baht | 120.27 | 94.35 |
| Total Revenue from sales - domestic | Million Baht | 2,279.68 | 2,234.96 |
| Revenue from sales - international | Million Baht | 11,868.51 | 11,304.71 |
| Total Revenue from sales | Million Baht | 14,148.19 | 13,539.67 |
| Proportion between domestic sales and export sales | | 16:84 | 17:83 |

2. Cost of sales was 11,280.1 million baht, a reduction of 542.1 million baht due to lower MDF Board sale volumes.

3. In 2024, profit from asset sales increased by 275.0 million baht from 2023.

Regarding the return on equity, the company paid dividends for the operating results of the year 2022, 2023 and 2024 as detailed below;

| Year performance | | 2022 | 2023 | 2024 |
|---|--------------|--------|--------|--------|
| Profit for the Year - shareholders of the Company | Million Baht | 716.69 | 26.66 | 230.20 |
| Dividend paid | Baht / share | 0.20 | 0.02 | 0.10 |
| Total Dividend paid | Million Baht | 347.05 | 34.70 | 173.52 |
| Dividend payout ratio * | Percent | 48.42 | 130.18 | 75.38 |

* 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 25, 2025, the Board of Directors' Meeting passed the resolution to propose the 2025 Annual General Meeting of Shareholders to approve the dividend payment for operating results in 2024 at the rate of 0.10 Baht per share, totaling 173.5 million Baht, representing 75.38% of the profit for the year (profit of shareholders' equity of the Company) of the consolidated financial statements for the year 2024. On September 5, 2024, the interim dividend was paid at the rate of 0.05 Baht per share, amounting to 86.8 million Baht. Therefore, the remaining dividend payment is 0.05 Baht per share, amounting to 86.8 million Baht. Payment is due on May 16, 2025.

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 | 2023 | 2024 |
|---|--------|--------|
| Trade receivable and other current receivable | 5.27% | 5.88% |
| Inventories | 15.63% | 14.53% |
| Property, Plant and Equipment | 64.79% | 61.79% |

As of 31 December 2024, the total assets of the Company and its subsidiaries were 17,995.5 million Baht, decreased by 574.8 million Baht compared to the total assets of 18,570.3million Baht in 2023. The details of the significant increased or decreased were as follows:

1. Cash and cash equivalent items increased by 608.4 million Baht.
2. Trade and other current receivable increased by 80.5 million Baht.
3. Other current financial assets decreased by 221.0 million Baht.
4. Revenue Department receivable decreased by 168.8 million Baht.
5. Inventories decreased by 286.1 million Baht, due to the decreased of finished goods of 341.4 million Baht, work in process of 8.0 million Baht, supplies of 8.9 million Baht, goods in transit of 4.9 million Baht and increased of raw materials of 77.1 million Baht.
6. Maintenance supplies decreased by 12.0 million Baht.
7. Current tax assets decreased by 0.8 million Baht.
8. Property, Plant and equipment decreased by 912.3 million Baht.
9. Right-of-use assets increased by 201.1 million Baht.
10. Intangible assets increased by 70.8 million Baht.
11. Deferred tax assets increased by 5.6 million Baht
12. Other non-current assets increased by 59.8 million Baht.

Total Liabilities

As of 31 December 2024, the total liabilities of the Company and its subsidiaries were 10,550.3 million Baht, decreased by 685.5 million Baht, compared to the total liabilities of 11,235.8 million Baht in 2023. The details of the significant increased or decreased were as follows:

1. Short-term loans from financial institutions decreased 272.1 million Baht.
2. Trade and other current payable decreased by 80.2 million Baht.
3. Advances received from customers increased by 81.6 million Baht.
4. Income tax payables decreased 23.7 million Baht.
5. Long-term loans from financial institutions decreased by 626.0 million Baht.
6. Lease liabilities increased by 214.6 million Baht.
7. Provisions for employee benefits increased by 21.9 million Baht.
8. Deferred tax liabilities decreased by 1.0 million Baht.

Shareholders' Equity

As of 31 December 2024, the total shareholder's equity of the Company and its subsidiaries were 7,445.2 million Baht, increased by 110.7 million Baht, compared to the total shareholders' equity of 7,334.5 million Baht in 2023, due to operating results with net profit and dividend payment during the year 2023 and 2024.

As of 31 December 2024, the debt to equity ratio was 1.42:1, decreased by 0.11 times compared to that of 1.53:1 in 2023. The main reason is due to the increase retained earnings and repayment of the principal of long-term loans from financial institutions as scheduled.

Liquidity

Cash Flow

For the year ended 31 December 2024, the Company and its subsidiaries have cash flow received from operating activities 2,361.1 million Baht, cash flow used in investing activities 232.4 million Baht and cash flow used in financing activities 1,520.2 million Baht. There was net cash flow received in 608.4 million Baht, the cash flow received was 1,328.9 million Baht more than the same period in 2023 as summarized;

1. Net cash received from operating activities is 2,361.1 million Baht, increased by 950.2 million Baht, because of decreased of profit from operation before change in operating assets and liabilities by 134.0 million Baht, increased of operating assets 400.0 million Baht, increased of operating liabilities 694.4 million Baht, increased of cash received from interest income 4.0 million Baht and increased of cash paid for income tax 14.3 million Baht.
2. Net cash used in investing activities is 232.4 million Baht, decreased by 49.0 million Baht, due to cash received from disposed of property, plant and equipment increasing by 213.2 million Baht, cash paid for purchase of property, plant and equipment decreasing by 104.4 million Baht and cash paid for the purchase of assets increasing by 268.6 million Baht.
3. Net cash used in financing activities is 1,520.2 million Baht, decreased by 329.7 million Baht, due to the repayment of short-term loans from financial institutions decreased by 112.1 million Baht, cash received from long-term loans from financial institutions decreased by 177.1 million Baht, cash paid for long-term loans from financial institutions decreased by 368.0 million Baht, cash paid for lease liabilities increased by 15.8 million Baht, cash paid for interest expenses of loans increased by 15.5 million Baht and dividend paid decreased by 58.0 million Baht.

Liquidity Ratio

| | 2023 time | 2024 time | Increase (Decrease) |
|---------------------------|--------------|--------------|------------------------|
| Liquidity ratio | 1.03 | 1.06 | 0.03 |
| Quick Liquidity ratio | 0.27 | 0.39 | 0.12 |
| Cash Flow Liquidity ratio | 0.23 | 0.42 | 0.19 |

- The liquidity ratio increased because the current asset increased by 0.2 million Baht and the current liabilities decreased by 146.8 million Baht.
- The quick liquidity ratio increased due to the increase of cash and cash equivalent items of 608.4 million Baht, the increase of trade receivables of 80.5 million Baht and the decrease of current liabilities of 146.8 million Baht.
- The cash flow liquidity ratio increased due to the increase of the cash flow from operating activities of 950.2 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

| | 2023 % | 2024 % | Increase (Decrease) % |
|-----------------------|-----------|-----------|-----------------------------|
| Gross margin rate | 16.44 | 16.69 | 0.25 |
| Operating profit rate | 3.79 | 5.56 | 1.77 |
| Net profit rate | 0.19 | 1.66 | 1.47 |
| Return on equity rate | 0.36 | 3.15 | 2.79 |
| Return on assets rate | 0.14 | 1.26 | 1.12 |

- The profit of the Company and its subsidiaries for the year 2024 increased by 187.2 million Baht from the year 2023 (Section: Analysis on Profit of Company and its Subsidiaries), resulting in the increase of the profitability ratio and the efficiency ratio.

Financial Policy Analysis Ratio

| | 2023 time | 2024 time | Increase (Decrease) |
|-------------------------------------|--------------|--------------|------------------------|
| Debt to equity ratio | 1.53 | 1.42 | (0.11) |
| Ability to pay of interest ratio | 4.01 | 4.20 | 0.19 |
| Ability to pay of obligations ratio | 0.44 | 0.50 | 0.06 |

- The debt to equity ratio decreased due to the increase retained earnings and repayment of the principal of long-term loans from financial institutions as scheduled.
- Interest coverage ratio increased due to the increase of profit from operating activities of 216.7 million Baht, the increase of interest expenses of 20.6 million Baht.
- Debt service coverage ratio increased due to the increase of profit from operating activities of 216.7 million Baht, the decrease of short-term liabilities of 105.4 million Baht.

Capital Expenditure in 2024

The investment project to install solar roofs at the Saraburi Plant (Phase 3) was carried out by Vanachai Group Public Company Limited with an investment budget of 57.62 million baht and was completed in Quarter 2 of 2024.

Sources of fund

Loan from Domestic Financial Institution.

Long-term liabilities

As of December 2024, company and its subsidiaries have long-term loans as follows;

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

| | |
|---|--|
| Amount | 500.0 million Baht |
| Outstanding Balance as of December 31, 2024 | 83.0 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 |

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

| | |
|---|--|
| Amount | 600.0 million Baht |
| Outstanding Balance as of December 31, 2024 | 240.0 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 |

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

| | |
|---|---|
| Amount | 316.0 million Baht |
| Outstanding Balance as of December 31, 2024 | 271.0 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 |
| 4. <u>Long-term loans from domestic financial institutions</u> (Vanachai Group Plc. - Borrower) | |
| Amount | 100.0 million Baht |
| Outstanding Balance as of December 31, 2024 | 50.0 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 |
| 5. <u>Long-term loans from domestic financial institutions</u> (Vanachai Group Plc. - Borrower) | |
| Amount | 125.0 million Baht |
| Outstanding Balance as of December 31, 2024 | 80.0 million Baht |
| Financial Institution | Kasikornbank Public Company Limited |
| Collateral | 1. Land and buildings No. 4, Title Deed No. 55869, and Securities No. 3, Title Deed No. 59283, Saraburi Province, are mortgaged as the collateral. 2. Registration of the Solar Panel Business Collateral Act, including machinery. |
| Payment of Interest | On the last working day of the month |
| Payment of Principal | See Note 17 to the financial statements under Section 3 Financial Statements |
| Other credit term conditions | 1. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times 2. Maintain Debt to Equity Ratio (DE ratio) not more than 2.5 times |
| 6. <u>Long-term loan from domestic financial institution</u> (Vanachai Group Plc. - Borrower) | |
| Amount | 500.00 million Baht |
| Outstanding Balance as of December 31, 2024 | 400.14 million Baht |
| Financial Institution | Kasikornbank Public Company Limited |
| Collateral | 1. Registration of mortgage No. 5 Land with building, Title Deed No. 55869, Ban That Sub-district, Kaeng Khoi District, Saraburi Province. 2. 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. 3. Registration of the Business Collateral Agreement for impregnated Paper Manufacturing Machinery and Equipment, Machinery and Utility System. |
| 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 (DE ratio) not more than 2.5 times 2. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times |

7. 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, 2024 | 1,145.0 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. |

8. 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, 2024 | 1,465.0 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. |

9. 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, 2024 | 711.0 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. |

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, 2024 | 72.5 million Baht |
| Financial Institution | Bangkok Bank Public Company Limited |
| Collateral | 1. Land Nor.Sor.3Kor., Title Deed 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. 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, 2024 | Paid in Full |
| 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, 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 |

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, 2024 | 31.5 million Baht |
| Financial Institution | Bangkok Bank Public Company Limited |
| Collateral | 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 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. 3. Registration of the business collateral agreement, including machineries, with the ownership of Vanachai Panel Industries Company Limited as the guarantee |

- | | |
|------------------------------|--|
| Payment of Interest | On the last working day of the month |
| Payment of Principal | See Note 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 |
13. Long-term loan from domestic financial institution (Vanachai Panel Industries Co., Ltd. - Borrower)
- | | |
|---|--|
| Amount | 50.0 million Baht |
| Outstanding Balance as of December 31, 2024 | 25.0 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 |
14. Long-term loan from domestic financial institution (Vanachai Panel Industries Co., Ltd. - Borrower)
- | | |
|---|--|
| Amount | 91.00 million Baht |
| Outstanding Balance as of December 31, 2024 | 59.15 million Baht |
| Financial Institution | Bangkok Bank Public Company Limited |
| Collateral | 1. Title Deed No. 13293, 13294, 13295, 13296, 13297, 13334, Khao Niphan Sub-district, Wiangsa District, Surat Thani Province, and buildings with the ownership project of Vanachai Panel Industries Company Limited, are mortgaged as the collateral. 2. Land Nor.Sor.3Kor. No. 547, 548, 549, 4475, 4516, Khao Niphan Sub-district, Thung Luang, Wiangsa District, Surat Thani Province, and buildings with the ownership of Vanachai Panel Industries Company Limited, are mortgaged for appraised value as collateral. 3. Machinery ownership of Vanachai Panel Industries Company Limited is registered the business collateral agreement as 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 Debt to Equity Ratio not more than 2.5 times 2. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times |
15. Long-term loan from domestic financial institution (Vanachai Group Plc. - Borrower)
- | | |
|---|--|
| Amount | 400.00 million Baht |
| Outstanding Balance as of December 31, 2024 | 400.00 million Baht |
| Financial Institution | Kasikornbank Public Company Limited |
| Collateral | 1. Registration of mortgage No. 6 Land with building, Title Deed No. 55869, Ban That Sub-district, Kaeng Khoi District, Saraburi Province. 2. Registered Mortgage No. 4, Land and Buildings, Title Deed No.59283, Ban That Sub-district, Kaeng Khoi District, Saraburi Province. 3.Registration of appraised value of mortgage No. 3 land with building, Title Deed No. 12653, Nong E-run Sub-district, Ban Bueng District (Phanat Nikhom), Chonburi Province. 4. Registration of appraised value of mortgage No. 2 land with building, Title Deed No. 24495, Nong E-run Sub-district, Ban Bueng District (Phanat Nikhom), Chonburi Province. |

| | |
|--|---|
| | 5. The Company registered machinery as business collateral. The collateral is located in Ban That Sub-district Kaeng Khoi District, Saraburi Province. |
| | 6. The Company registered machinery as business collateral. The collateral is located in 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. Maintain Debt : Equity Ratio not more than 2.5 times 2. Maintain Debt Service Coverage Ratio (DSCR) not less than 1.1 times |
| 16. <u>Long-term loans from domestic financial institutions</u> (Vanachai Panel Industries Co., Ltd. - Borrower) | |
| Amount | 95.0 Million |
| Outstanding Balance as of December 31, 2024 | 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, 2024 is between 4.90% - 6.25%

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 2022, 2023, 2024

| | 2022 | | 2023 | | 2024 | |
|------------------------------------|-------------------|------|-------------------|------|-------------------|------|
| | Baht | % | Baht | % | Baht | % |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalent items | 1,355,551,973.54 | 7% | 635,069,310.94 | 3% | 1,243,490,103.96 | 7% |
| Trade and other current receivable | 1,213,296,016.47 | 6% | 977,799,536.50 | 5% | 1,058,322,718.94 | 6% |
| Other current financial assets | - | - | 221,000,000.00 | 1% | - | 0% |
| Revenue Department receivable | 324,439,634.98 | 2% | 316,859,450.70 | 2% | 148,014,204.81 | 1% |
| Inventories | 3,249,732,637.19 | 16% | 2,901,614,545.47 | 16% | 2,615,493,687.13 | 15% |
| Maintenance supplies | 731,163,857.16 | 4% | 780,751,151.83 | 4% | 768,771,052.50 | 4% |
| Current tax assets | - | 0% | 2,475,154.12 | 0% | 1,653,223.23 | 0% |
| Total current assets | 6,874,184,119.34 | 34% | 5,835,569,149.56 | 31% | 5,835,744,990.57 | 32% |
| Non-current assets | | | | | | |
| Property, plant and equipment | 12,661,566,708.20 | 63% | 12,030,868,850.64 | 65% | 11,118,552,879.72 | 62% |
| Right-of-use assets | 495,061,518.34 | 2% | 574,339,895.13 | 3% | 775,481,641.07 | 4% |
| Intangible assets | 32,138,029.24 | 0% | 51,887,450.56 | 0% | 122,671,647.28 | 1% |
| Deferred tax assets | 57,248,838.55 | 0% | 59,352,407.39 | 0% | 64,998,405.48 | 0% |
| Other non-current assets | 7,746,584.23 | 0% | 18,276,109.85 | 0% | 78,028,132.58 | 0% |
| Total non-current assets | 13,253,761,678.56 | 66% | 12,734,724,713.57 | 69% | 12,159,732,706.13 | 68% |
| Total assets | 20,127,945,797.90 | 100% | 18,570,293,863.13 | 100% | 17,995,477,696.70 | 100% |

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
As at 31 December 2022, 2023, 2024

| | 2022 | | 2023 | | 2024 | |
|--|-------------------|-----|-------------------|-----|-------------------|-----|
| | Baht | % | Baht | % | Baht | % |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities | | | | | | |
| Short-term loans from financial institutions | 3,126,546,053.32 | 16% | 2,742,333,725.07 | 15% | 2,470,251,514.60 | 14% |
| Trade and other current payable | 1,245,805,183.04 | 6% | 1,100,877,503.76 | 6% | 1,020,700,481.78 | 6% |
| Advances received from customers | 788,592,943.45 | 4% | 640,353,725.94 | 3% | 721,916,668.90 | 4% |
| Current portion of long-term liabilities | | | | | | |
| Long-term loans from financial institutions | 1,415,400,003.96 | 7% | 1,026,050,003.96 | 6% | 1,165,700,003.96 | 6% |
| Lease liabilities | 40,759,781.38 | 0% | 58,388,008.71 | 0% | 85,426,886.49 | 0% |
| Income tax payables | 56,683,825.14 | 0% | 56,952,764.70 | 0% | 33,301,862.25 | 0% |
| Current provisions for employee benefits | - | 0% | 45,373,952.01 | 0% | 26,273,003.67 | 0% |
| Total current liabilities | 6,673,787,790.29 | 33% | 5,670,329,684.15 | 31% | 5,523,570,421.65 | 31% |
| Non-current liabilities | | | | | | |
| Long-term loans from financial institutions | 5,060,849,996.04 | 25% | 4,633,289,993.07 | 25% | 3,867,589,993.07 | 21% |
| Lease liabilities | 470,747,076.95 | 2% | 512,718,180.88 | 3% | 700,241,142.11 | 4% |
| Non-current provisions for employee benefits | 426,929,482.06 | 2% | 412,953,602.14 | 2% | 453,918,389.55 | 3% |
| Deferred tax liabilities | 18,815,600.01 | 0% | 2,828,985.08 | 0% | 1,827,634.78 | 0% |
| Other non-current liabilities | 7,766,208.67 | 0% | 3,658,321.34 | 0% | 3,164,698.86 | 0% |
| Total non-current liabilities | 5,985,108,363.73 | 30% | 5,565,449,082.51 | 30% | 5,026,741,858.37 | 28% |
| Total liabilities | 12,658,896,154.02 | 63% | 11,235,778,766.66 | 61% | 10,550,312,280.02 | 59% |

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
As at 31 December 2022, 2023, 2024

| | 2022 | | 2023 | | 2024 | |
|--|-------------------|------|-------------------|------|-------------------|------|
| | Baht | % | Baht | % | Baht | % |
| Shareholders' equity | | | | | | |
| 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 | 8% | 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 | 4,004,077,074.59 | 20% | 3,857,217,802.11 | 21% | 3,965,959,971.75 | 22% |
| Total shareholders' equity of the Company | 7,395,472,463.59 | 37% | 7,248,613,191.11 | 39% | 7,357,355,360.75 | 41% |
| Non-controlling interests of subsidiaries | 73,577,180.29 | 0% | 85,901,905.36 | 0% | 87,810,055.93 | 0% |
| Total shareholders' equity | 7,469,049,643.88 | 37% | 7,334,515,096.47 | 39% | 7,445,165,416.68 | 41% |
| Total liabilities and shareholders' equity | 20,127,945,797.90 | 100% | 18,570,293,863.13 | 100% | 17,995,477,696.70 | 100% |

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 31 December 2022, 2023, 2024

| | 2022 | | 2023 | | 2024 | |
|---|---------------------|-------|---------------------|-------|---------------------|-------|
| | Baht | % | Baht | % | Baht | % |
| Revenue from sales | 13,137,625,098.71 | 100% | 14,148,185,097.11 | 100% | 13,539,671,442.09 | 100% |
| Cost of sales | (10,553,760,233.72) | (80%) | (11,822,251,249.60) | (84%) | (11,280,145,134.31) | (83%) |
| Gross profit | 2,583,864,864.99 | 20% | 2,325,933,847.51 | 16% | 2,259,526,307.78 | 17% |
| Gain from exchange rate | 82,002,867.25 | 1% | 60,637,480.57 | 0% | 129,238,950.36 | 1% |
| Gain (Loss) from disposed and written-off assets | - | 0% | (942,528.68) | 0% | 274,015,138.66 | 2% |
| Other income | 58,264,302.90 | 0% | 35,040,783.70 | 0% | 18,582,148.64 | 0% |
| Selling and distribution expenses | (1,019,187,749.30) | (8%) | (1,299,554,126.68) | (9%) | (1,377,111,903.72) | (10%) |
| Administrative expenses | (435,973,330.92) | (3%) | (493,354,492.16) | (3%) | (453,492,923.68) | (3%) |
| Loss from exchange rate | (2,306,282.00) | 0% | (3,111,054.65) | 0% | - | 0% |
| Management benefit expenses | (100,653,685.47) | (1%) | (88,404,526.80) | (1%) | (97,767,609.52) | (1%) |
| Profit from operating activities | 1,166,010,987.45 | 9% | 536,245,382.81 | 4% | 752,990,108.52 | 6% |
| Finance cost | (329,627,728.69) | (3%) | (422,449,262.46) | (3%) | (443,096,962.44) | (3%) |
| Profit before income tax | 836,383,258.76 | 6% | 113,796,120.35 | 1% | 309,893,146.08 | 2% |
| Income tax expenses | (93,965,684.27) | (1%) | (68,854,239.76) | 0% | (77,783,062.27) | (1%) |
| Profit for the year | 742,417,574.49 | 6% | 44,941,880.59 | 0% | 232,110,083.81 | 2% |
| Other comprehensive income | | | | | | |
| Item that will not be reclassified to profit or loss | | | | | | |
| Actuarial gain (loss) arising from defined benefit plan | 20,066,646.37 | 0% | - | 0% | - | 0% |
| Income tax relevance with other | (4,013,329.26) | 0% | - | 0% | - | 0% |
| Other comprehensive income for the year-net of tax | 16,053,317.11 | 0% | - | 0% | - | 0% |
| Total comprehensive income for the year | 758,470,891.60 | 6% | 44,941,880.59 | 0.3% | 232,110,083.81 | 2% |

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 31 December 2022, 2023, 2024

| | 2022 | | 2023 | | 2024 | |
|---|----------------|----|---------------|------|----------------|----|
| | Baht | % | Baht | % | Baht | % |
| Profit (loss) attributable to: | | | | | | |
| Shareholders of the Company | 716,689,877.58 | 5% | 26,658,755.52 | 0.2% | 230,201,933.24 | 2% |
| Non-controlling interests of the subsidiaries | 25,727,696.91 | 0% | 18,283,125.07 | 0.1% | 1,908,150.57 | 0% |
| Profit for the year | 742,417,574.49 | 6% | 44,941,880.59 | 0.3% | 232,110,083.81 | 2% |
| Total comprehensive income attributable to: | | | | | | |
| Shareholders of the Company | 732,326,599.39 | 6% | 26,658,755.52 | 0.2% | 230,201,933.24 | 2% |
| Non-controlling interests of the subsidiaries | 26,144,292.21 | 0% | 18,283,125.07 | 0.1% | 1,908,150.57 | 0% |
| Total comprehensive income for the year | 758,470,891.60 | 6% | 44,941,880.59 | 0.3% | 232,110,083.81 | 2% |
| Basic earnings (loss) per share (Baht/share) | 0.41 | | 0.02 | | 0.13 | |

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOW (SUMMARY)
For the year ended 31 December 2022, 2023, 2024

| | (Unit : Baht) | | |
|---|--------------------|--------------------|--------------------|
| | 2022 | 2023 | 2024 |
| Net cash received from operating activities | 1,865,998,842.91 | 1,410,881,480.20 | 2,361,107,009.87 |
| Net cash used in investing activities | (754,378,626.46) | (281,423,286.32) | (232,447,569.44) |
| Net cash used in financing activities | (1,237,842,350.89) | (1,849,940,856.48) | (1,520,238,647.41) |
| Cash and cash equivalent items increase(decrease)-net | (126,222,134.44) | (720,482,662.60) | 608,420,793.02 |
| Cash and cash equivalent items at the beginning of the year | 1,481,774,107.98 | 1,355,551,973.54 | 635,069,310.94 |
| Cash and cash equivalent items at the end of the year | 1,355,551,973.54 | 635,069,310.94 | 1,243,490,103.96 |

Financial Ratio

| consolidated financial statements | | | | |
|--|-------|--------|--------|--------|
| | | 2022 | 2023 | 2024 |
| <u>LIQUIDITY RATIO</u> | | | | |
| Liquidity Ratio | times | 1.03 | 1.03 | 1.06 |
| Liquidity Quid Ratio | times | 0.37 | 0.27 | 0.39 |
| Cash flow liquidity ratio | times | 0.31 | 0.23 | 0.42 |
| Trade receivable turnover ratio | times | 11.08 | 14.24 | 14.75 |
| Average collection period | days | 33 | 26 | 25 |
| Finished goods turnover ratio | times | 4.93 | 5.47 | 6.21 |
| Average selling time of finished good | days | 74 | 67 | 59 |
| Inventory turnover ratio | times | 3.52 | 3.84 | 4.09 |
| Average sale period | days | 104 | 95 | 90 |
| Trade payable turnover ratio | times | 26.25 | 38.24 | 30.05 |
| repayment period | days | 14 | 10 | 13 |
| Cash Cycle | days | 123 | 111 | 102 |
| <u>PROFITABILITY RATIO</u> | | | | |
| Gross margin rate | % | 19.67 | 16.44 | 16.69 |
| Operating margin rate | % | 8.88 | 3.79 | 5.56 |
| Cash to profit ratio | % | 160.03 | 263.10 | 313.56 |
| Net profit rate | % | 5.40 | 0.19 | 1.66 |
| Return on equity rate | % | 9.72 | 0.36 | 3.15 |
| <u>EFFICIENCY RATIO</u> | | | | |
| Return on assets rate | % | 3.57 | 0.14 | 1.26 |
| Return on fixed assets rate | % | 14.51 | 9.57 | 11.52 |
| Turnover asset ratio | times | 0.66 | 0.73 | 0.76 |
| <u>FINANCIAL POLICY RATIO</u> | | | | |
| Debt to equity ratio | times | 1.69 | 1.53 | 1.42 |
| Ability to pay of interest ratio | times | 7.02 | 4.01 | 4.20 |
| Interest-bearing debt to earnings before interest expense, income tax, depreciation and amortization ratio | times | 4.37 | 5.29 | 4.45 |
| Ability to settle obligations (cash basis) | times | 0.50 | 0.44 | 0.50 |
| Dividend Payout ratio | % | 48.42 | 130.18 | 75.38 |

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 : 4th Unit, 19th Floor, Silom Complex Building, 191 Silom Road, Bangrak, Bangkok
Tel. : 0 2231 3980-7
Fax. : 0 2231 3988
Auditor name : Mr. Ampol Chamnongwat CPA. No. 4663 or
: Ms. Praphasri Leelasupha CPA. No. 4664 or
: Mr. Naris Saowalagsakul CPA. No. 5369 or
: Ms. Gunyanun Punyaviwat CPA. No. 12733 or
: Mr. Burin Prasongsamrit CPA. No. 12879

5.2 Other material facts

- None -

5.3 Legal Disputes

- None -

5.4 Secondary market

- None -



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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 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

Nomination and Remuneration Committee has considered remuneration for the board of directors and sub-committee members for proposal to the board of directors or the shareholders' meeting, as the case may be, for consideration of approval.

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.

In setting remuneration, the Company has a process for determining commensurate remuneration by using remuneration data of companies in the same industry that are similar in size to the Company and the Company's performance to accompany consideration.

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.

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 2024, The company has held an annual general meeting of shareholders on April 24, 2024 at Phra Visanu Room, 3rd Floor, The Asawin Grand Convention Hotel at No. 88 Vibhavadi Rangsit Road (Kamphaeng Phet 6), Kwaeng Talad Bangkhen, Khet Laksi, 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 2024, 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. 2023 - 31 Dec. 2023, 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 2024 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 2024 Annual General Meeting of Shareholders, there are 15 directors, attended the meeting 14 members. The Chairman of the Company, The chairman of the Audit Committee, 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, Chonburi 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.

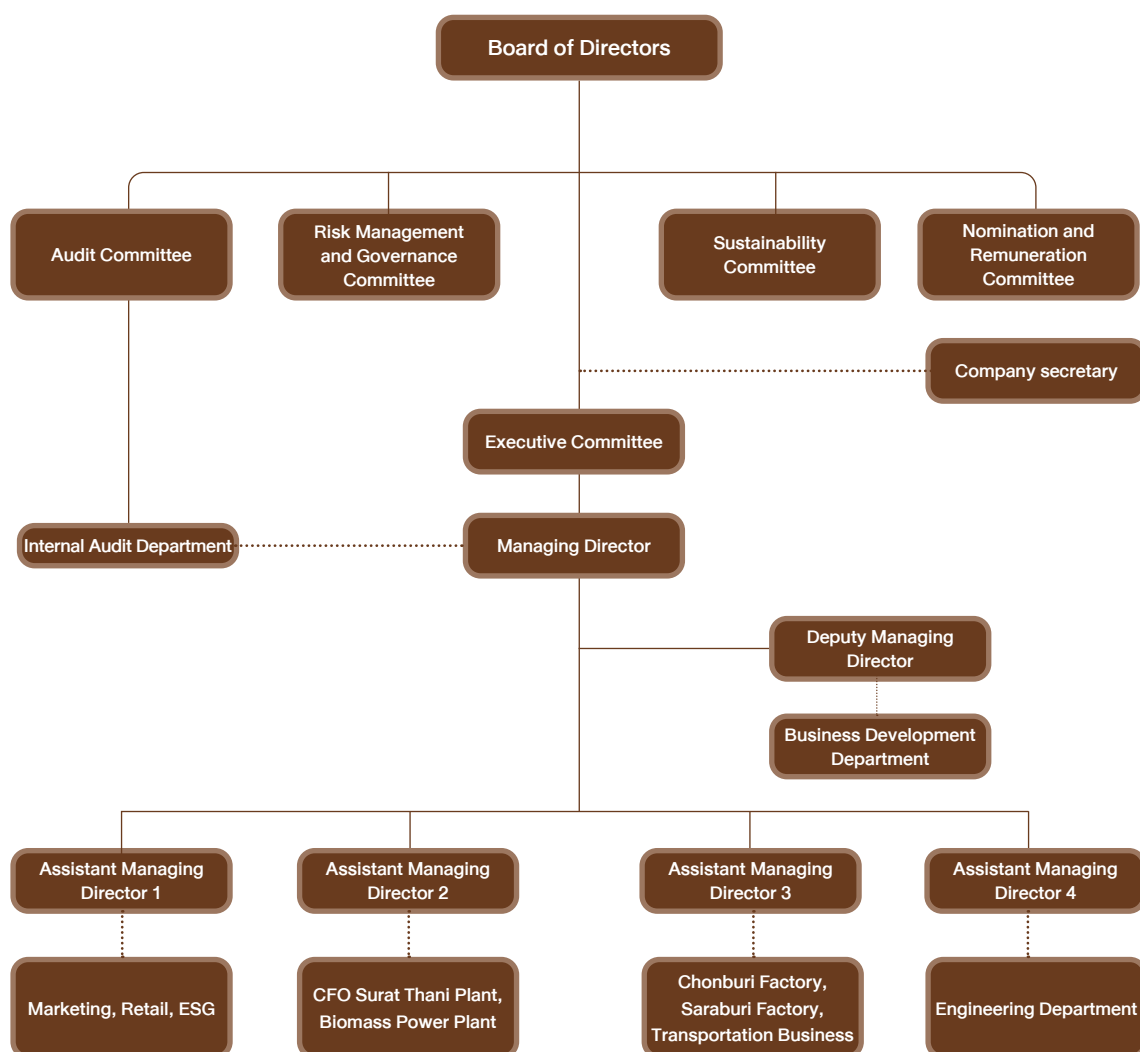
- Responsibilities of the Board of Directors: It is to consider and approve important matters regarding operational policies in accordance with and in response to business situations. The Company pays attention to the independence of decisions made by directors for the best interests of the Company and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

Management Structure of Wanchai Group Company Limited (Public Company) and Subsidiaries



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 |
| Independent Director | 6 | 40 |

The Company has six 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 | 72 | Chairman | 1 Nov. 1994 |
| | 2. | Mr. Suebrakul | Soonthornthum | 82 | Independent Director Vice Chairman | 1 Nov. 1994 |
| * | 3. | Ms. Yupaporn | Boongate | 70 | Vice Chairman | 4 Jan. 1995 |
| | 4. | Mr. Kraithip | Krairiksh | 70 | Independent Director Chairman of the Audit Committee | 12 Dec. 2008 7 Nov. 2023 |
| | 5. | Pol. Gen. Soontorn | Saikwan | 80 | Independent Director Audit Committee | 19 Apr. 2005 7 Nov. 2023 |
| | 6. | Pol. Gen Visanu | Prasattongosoth | 62 | Independent Director Audit Committee | 7 Nov. 2023 |
| | 7. | Mr. Praphan | Anaman | 73 | Independent Director Audit Committee | 7 Nov. 2023 |
| | 8. | M.L. Dispanadda | Diskul | 50 | Independent Director | 8 Aug. 2024 |
| * | 9. | Mr. Wanthana | Jaroennawarat | 64 | Managing Director | 1 Nov. 1994 |
| | 10. | Mr. Suthep | Chaipattanavanich | 61 | Director | 1 Nov. 1994 |
| * | 11. | Mr. Patta | Sahawat | 52 | Deputy Managing Director | 25 Apr. 2001 |
| * | 12. | Ms. Phattrra | Sahawat | 50 | Director | 24 Apr. 2002 |
| * | 13. | Mr. Somprasong | Sahavat | 48 | Director | 13 May. 2003 |
| * | 14. | Mr. Sittiwat | Sahawat | 44 | Director | 14 May. 2019 |
| | 15. | Mr. Surapong | Dumrisilp | 67 | Director | 6 Mar. 2015 |

* 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. Phattrra 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.

Risk Management and Governance Committee

The scope of authority and duties of the Risk Management and Governance Committee is as follows:

Risk Management

1. Formulate risk management policies suitable for the business of the Company and its subsidiaries as a framework for work in the risk management process to be proposed to the board of directors for consideration of approval.
2. Determine assessment criteria and risk management framework with effects on the Company's business operations, risk prevention and management plans, governance, and hold regular reviews of risks and risk management processes throughout the organization to ensure that the Company and its subsidiaries have a suitable and effective risk management system consistent with the prescribed risk management policy.
3. Arrange for assessment and prioritization of risks, guidelines, and strategies for risk management to ensure that the organization's risk level is appropriate.
4. Oversee and monitor compliance with risk management plans as well as offering advice and recommendations on risk management to the management for consistency with the Company's business strategy and goals, including changing circumstances.

Corporate Governance

1. Formulate policies on good corporate governance, business ethics, and policies on human rights for presentation to the board of directors for consideration of approval.
2. Promote and advise on implementation at all levels' operations and review the appropriation of the policy to be compliant with laws and international standard code of conduct on an annual basis, as well as regularly evaluating and reporting on policy compliance.
3. Support, supervise and monitor to ensure operations are in accordance with the law, rules and regulations of the Company, government agencies, and regulatory organizations, as well as the principles of good corporate governance in line with domestic and international standards.
4. Supervise the establishment of an appropriate and sufficient anti-corruption policy for business operations and review to ensure that there is an efficient anti-corruption system in accordance with the guidelines of various regulatory agencies, beginning with promoting and raising awareness, risk assessment, internal control, creation of a preventive work system, reporting offences and conducting audits, including offering advice and monitoring to ensure compliance with the anti-corruption policy, including reviewing self-assessment forms on assessed anti-corruption measures.

Nomination and Remuneration Committee

The scope of authority and duties of the Nomination and Remuneration Committee is as follows:

Recruitment

1. Set criteria and policies for the recruitment of directors and sub-committee members by considering the appropriateness of the number, structure, and composition of the board of directors. Determine director qualifications for proposal to the board of directors' meeting or the shareholders' meeting, as the case may be, for consideration of approval.
2. Consider recruiting, selecting, and nominating suitable candidates for the positions of directors whose terms have expired and/or whose positions have become vacant and/or additional appointment for proposal to the board of directors and/or the shareholders' meeting for consideration of appointment.

3. Evaluate the performance of the Company's Chief Executive Officer for presentation to the board of directors for consideration of approval.

4. Consider director development plans to improve the knowledge of current and new directors to understand the Company's business and industry situation, including the roles and duties of directors, relevant rules or laws.

Consideration of Remuneration

1. Prepare Criteria and policies for setting the remuneration of the board of directors and sub-committee members for proposal to the board of directors or the shareholders' meeting, as the case may be, for consideration of approval.

2. Determine the necessary and appropriate remuneration, both monetary and non-monetary, for the board of directors on an individual basis. The remuneration of the board of directors is to be considered based on commensuration with duties, responsibilities, and performance and compared with companies in similar businesses and the expected benefits from directors for proposal to the board of directors or the shareholders' meeting, as the case may be, for consideration of approval.

Sustainability Committee

The scope of authority and duties of the Sustainability Committee is as follows:

1. Consider the Company's policies, strategies, goals, and sustainability development plans covering environmental, social, and sustainability dimensions for proposal to the board of directors.

2. Support and push for cooperation in sustainability operations throughout the organization by offering advice and promoting sustainability operations in line with business strategies and the implementation of the Sustainability Development Plan to achieve goals.

3. Supervise, evaluate, and review the progress of sustainability activities to be balanced and in the maximum interests of the Company and its stakeholders with coverage of environmental, social, and governance dimensions in accordance with the evaluation criteria or rankings of regulatory agencies, as well as domestic and international standards and frameworks for sustainable development for long-term sustainable business operations.

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 | Chaipattananavich | |
| 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.

List of Risk Management and Governance Committee

| Names | | Position |
|-------------------|-------------------|----------|
| 1. Mr. Praphan | Anaman | Chairman |
| 2. Mr. Suthep | Chaipattanavanich | |
| 3. Mr. Somprasong | Sahawat | |

List of Nomination and Remuneration Committee

| Names | | Position |
|-------------------|---------------|----------|
| 1. Mr. Suebtrakul | Soonthornthum | Chairman |
| 2. Mr. Patta | Sahawat | |
| 3. Mr. Sittiwat | Sahawat | |

List of Sustainability Committee

| Names | | Position |
|--------------------|---------|----------|
| 1. Ms. Phattrra | Sahawat | Chairman |
| 2. M.L. Dispanadda | Diskul | |
| 3. Mr. Somprasong | Sahawat | |

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. Phattrra | 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 Committees and Executives

(1) In 2024, the Company paid remuneration consisting of salaries and bonuses (Company only) to Executive Committees and executives, 8 person, totaling 36.54 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 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 |

Year 2024

| | 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 | 13 people |
| • Office Managing Director and other | 16 people | 26 people |
| <u>Factory - Chonburi</u> | | |
| • Employees - Production Department | 375 people | 152 people |
| • Employees - Management | 114 people | 81 people |
| <u>Factory - Saraburi</u> | | |
| • Employees - Production Department | 539 people | 216 people |
| • Employees - Administrative Department | 124 people | 76 people |
| Total | 1,187 people | 565 people |
| Remuneration | 431,027,575.03 Baht | 157,862,596.42 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.

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 4,345,000.00 Baht

(2) Other Services.

- Inspection based on the investment promotion certificate's conditions, totaling of 140,000.00 Baht
- Fees for goods destruction observance, totaling of 5,000.00 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

Nomination and Remuneration Committee will consider the recruitment, selection, and nomination of suitable persons to hold the positions of directors whose terms have expired and/or whose positions have become vacant and/or additionally appointed for proposal to the board of directors and/or the shareholders' meeting for consideration of appointment.

The board of directors considers and previews persons for appointment as directors and the Chief Executive Officer. In the recruitment of directors, the board of directors will consider and propose the appointments in accordance with the Company rules and regulations which appropriate qualifications and no prohibited with code 68 of the Public Company 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 | 6/6 | 1/1 |
| 2. Mr. Suetrakul Soonthornthum | Vice Chairman Independent Director | 6/6 | 1/1 |
| 3. Ms. Yupaporn Boongate | Vice Chairman | 6/6 | 1/1 |
| 4. Mr. Kraithip Krairiksh | Independent Director Chairman of the Audit Committee | 6/6 | 1/1 |
| 5. Pol. Gen. Soontorn Saikwan | Independent Director Audit Committee | 6/6 | 1/1 |
| 6. Pol. Gen. Visanu Prasattongsoth | Independent Director Audit Committee | 5/6 | 0/1 |
| 7. Mr. Praphan Anaman | Independent Director Audit Committee | 6/6 | 1/1 |
| 8. Mr. Wanthana Jaroennawarat | Managing Director | 6/6 | 1/1 |
| 9. Mr. Suthep Chaipattananavich | Director | 6/6 | 1/1 |
| 10. Mr. Patta Sahawat | Deputy Managing Director | 6/6 | 1/1 |
| 11. Ms. Phattrra Sahawat | Director | 6/6 | 1/1 |

| Name | Position | Meeting attendance / Total meeting | |
|-------------------------------|----------------------|------------------------------------|-------------|
| | | Board of Directors | Shareholder |
| 12. Mr. Somprasong Sahavat | Director | 6/6 | 1/1 |
| 13. Mr. Sittiwat Sahawat | Director | 6/6 | 1/1 |
| 14. Mr. Surapong Dumrisilp | Director | 6/6 | 1/1 |
| 15. Mr. Vichai Nivaspathomwat | Director | 3/3 ⁽¹⁾ | 1/1 |
| 16. M.L. Dispanadda Diskul | Independent Director | 2/2 ⁽²⁾ | 0/0 |

- (1) Resignation from the Board of Directors, effective from August 1, 2024.
- (2) Appointment of M.L. Dispanadda Diskul as the Company's director to replace Mr. Vichai Nivaspathomwat, effective from August 8, 2024.

Monetary remuneration

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

| List-name | Position | Baht | Remarks |
|-------------------------------------|---------------------------------|------------------|-----------------------------------|
| 1. Mr. Suebtrakul Soonthornthum | Independent Director | 1,140,000 | |
| 2. Mr. Kraithip Krairiksh | Chairman of the Audit Committee | 920,000 | |
| 3. Pol. Gen. Soontorn Saikwan | Independent Director | 800,000 | |
| 4. Pol. Gen. Visanu Prasattongosoth | Audit Committee | 800,000 | |
| 5. Mr. Praphan Anaman | Audit Committee | 820,000 | |
| 6. M.L. Dispanadda Diskul | Independent Director | 350,000 | New Appointment on August 8, 2024 |
| Total of remuneration | | <u>4,830,000</u> | |

- (2) Other remuneration

- None -

Nomination and Remuneration Committee has considered the setting of remuneration of the board of directors and sub-committee members for proposal to the board of directors or the shareholders' meeting, as the case may be, for consideration of approval.

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.

In setting remuneration, the Company has a process for determining commensurate remuneration by using the remuneration data of companies in the same industry that are similar in size to the Company and the Company's performance to accompany consideration.

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.

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 May, 2024.

(4) Whistleblowing

- None -

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

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

| List-name | | Meeting attendance / Total meeting |
|-----------------------|-----------------|------------------------------------|
| 1. Mr. Kraithip | Krairiksh | 4/4 |
| 2. Pol. Gen. Soontorn | Saikwan | 4/4 |
| 3. Pol. Gen. Visanu | Prasattongosoth | 2/4 |
| 4. Mr. Praphan | Anaman | 4/4 |

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 2024, 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 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 or Miss Pimjai Kerdumrai Certified Public Accountant (Thailand) Registration No. 13975 from SAM NAK-NGAN A.M.C Co., Ltd. to be the auditors for the year 2025 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 2025 total 975,000 Baht to submit board of approval and presented at shareholder annual general shareholder meeting of year 2025 for future approval.

9. Internal control and related party transactions

9.1 Internal control

9.1.1 - Board of Directors' meeting No.1/2025 dated February 25, 2025 which was also attended by the 6 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 | - | - |
| 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 | 333,333 | 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. | - | - | - | Director | 1 | - | - | - | - |
| Woodland Co., Ltd. | - | - | - | Director | 2 | - | - | - | - |
| Vanachai Plywood Co., Ltd. | Director | 10,000 | 17% | Director | 10,000 | 17% | Director | 9,999 | 17% |
| Vanachai Veneer and Plywood Co., Ltd. | - | - | - | Director | 1 | - | - | - | - |
| Maeyai Co., Ltd. | - | - | - | 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 | 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 | 333,334 | 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. | - | 1 | - | Director | - | - |
| Woodland Co., Ltd. | - | 2 | - | Director | - | - |
| Vanachai Plywood Co., Ltd. | - | - | - | - | - | - |
| Vanachai Veneer and Plywood Co., Ltd. | - | 1 | - | Director | - | - |
| Maeyai Co., Ltd. | - | 1 | - | 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 2024 (Million Baht) | Necessary and Justification |
|---|--|---|---|--|
| 1. Related person | Director of Vanachai Group Plc. | The Company in the group selling finished goods. | 0.12 | Transactions between the company have the same price to the transactions with the outsiders. |
| | | Trade receivable | 0.16 | |
| 2. Mae Yai Co., Ltd. | <ul style="list-style-type: none"> - Related company - Has the same major shareholding group | The Company in the group charges for commission and sales service fee. | 0.01 | As selling agent to related company. |
| | | The Company in the group have income from other sales. | 0.01 | Related trading items as factor cost. |
| | | The Companies in the group buying cold presses and gluing machines for use in manufacturing products. | 5.04 | Business transactions are conforming to agree contract. |
| | | The Company in the group purchasing plywood for reselling to the general public. | 1.00 | Transactions between the company have the same price to the transactions with the outsiders. |
| | | The Companies in the group paying for truck fuel | 0.28 | Transactions are conforming to agree contract using criteria similar to those of outsiders. |
| | | The Company in the group pays for the freight. | 0.19 | Transactions are conforming to agree contract using criteria similar to those of outsiders. |
| | | Trade payable | 0.08 | |
| | | Other current payable | 2.90 | |

| Individual / Entities that may conflict | Relationship | Description | Value of transaction in 2024 (Million Baht) | Necessary and Justification |
|---|--|--|--|--|
| Mae Yai Co., Ltd (con't) | - Related company - Has the same major shareholding group | <p>PV Wood Co., Ltd. made a rental agreement buildings inside the factory at 43/3 Moo 4, Ban Chang, Mueang Pathum Thani, Pathum Thani for a period of 3 years and rental rates of 80 baht and 100 baht/sqm/month from 1 Mar. 2024 - 28 Feb. 2027. The details are as follows</p> <ul style="list-style-type: none"> - 1 Mar. 2024 - 31 Oct 2024 9,053 sqm/80 baht/month - 1 Nov. 2024 - 15 Nov. 2024 9,053 sqm/80 baht/month - 16 Nov. 2024 - 30 Nov. 2024 23,374 sqm/80 baht/month - 1 Dec. 2024 - 31 Dec. 2024 23,374 sqm/80 baht/month - 1 Jan. 2025 - 28 Feb. 2027 23,374 sqm/100 baht/month <p>The rental rates were determined based on the market value-market rent by comparing market data, which was assessed by The Value & Consultants Co. Ltd.</p> | <p>5.79</p> <p>0.36</p> <p>0.93</p> <p>1.87</p> <p>60.77</p> | <p><u>Opinions of the Board of Directors and the Audit Committee</u></p> <p>The opinion is that the transaction is appropriate because PV Wood Co., Ltd. has to rent space in the building to operate a wood business, effectively manufacture and store the aforementioned products, and use the space as the company's offices. The transaction is reasonable and in the best interests of the subsidiary. The rental rates were determined based on the market value-market rent by comparing market data, which was assessed by The Value & Consultants Co., Ltd. (independent appraiser).</p> |

| Individual / Entities that may conflict | Relationship | Description | Value of transaction in 2024 (Million Baht) | Necessary and Justification |
|---|--|--|--|--|
| 3. Woodland Co., Ltd. | <ul style="list-style-type: none"> - Related company - Has the same major shareholding group | The company in the Group which sells MDF Boards, Doorskin and Particleboards for using as raw materials for the production of goods. | 67.69 | 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. | 0.75 | As selling agent to related company. |
| | | The company in the Group have revenue from goods transportation. | 0.52 | Transactions are conforming to agree contract using criteria similar to those of outsiders. |
| | | The company has income from other sales. | 0.01 | Related trading items as factor cost. |
| | | The Company purchases skirts and paper boxes for wooden stairs to be used as a raw material in the production of goods. | 1.09 | Transactions between the company have the same price to the transactions with the outsiders. |
| | | The company in the group which pays wages to MOU employees, container loading service fees, maintenance labor fees, and security fees for use in the production process. | 0.58 | Business transactions are conforming to agree contract. |
| | | Group companies purchase prefabricated doors and frame to be sold to the general public. | 42.66 | Transactions between the company have the same price to the transactions with the outsiders. |
| | | The company in the group which buys tables to use in lodgings and pays security fees. | 0.59 | Business transactions are conforming to agree contract. |
| | | The Company in the group pays for the freight. | 0.01 | Transactions are conforming to agree contract using criteria similar to those of outsiders. |
| | | Trade receivable | 10.03 | |
| | | Other current receivable | 1.08 | |
| | | Accrued income | 0.05 | |
| | | Trade payable | 10.89 | |
| | | Other current payable | 0.22 | |

| Individual / Entities that may conflict | Relationship | Description | Value of transaction in 2024 (Million Baht) | Necessary and Justification |
|--|--|--|--|--|
| 4. Vanachai Veneer and Plywood Co., Ltd. | <ul style="list-style-type: none"> - Related company - Has the same major shareholding group | The company in the group that sells MDF Boards, Veneer Plywood, and Veneer Boards for use as raw materials in product manufacturing. | 22.10 | 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. | 0.50 | As selling agent to related company. |
| | | The company in the group purchase veneer scraps, wood cores, veneer wood to use as raw materials for product production. | 13.24 | Transactions are conforming to agree contract using criteria similar to those of outsiders. |
| | | The company in the Group purchases plywood and concrete forming plywood for selling to the general public. | 29.25 | Transactions between the company have the same price to the transactions with the outsiders. |
| | | Trade receivable | 4.38 | |
| | | Other current receivable | 0.03 | |
| | | Accrued income | 0.01 | |
| | | Trade payable | 14.06 | |
| | | Other current payable | 0.36 | |

| Individual / Entities that may conflict | Relationship | Description | Value of transaction in 2024 (Million Baht) | Necessary and Justification |
|---|--|---|--|---|
| 5. Firstwood Co., Ltd. | <ul style="list-style-type: none"> - Related company - Has the same major shareholding group | The company has income from other sales. | 0.01 | Related trading items as factor cost. |
| | | 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 2023 to 30 June 2024. 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. | 8.95 | <u>Opinions of the Board of Directors and the Audit Committee</u> 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. |
| | | The Company has entered into the office space rental and services contract for a period of 1 year has started from 1 July 2024 to 30 June 2025. | 8.95 | - No change in rental rates for space and services. |

| Individual / Entities that may conflict | Relationship | Description | Value of transaction in 2024 (Million Baht) | Necessary and Justification |
|---|--|---|--|---|
| Firstwood Co., Ltd. (con't) | <ul style="list-style-type: none"> - Related company - Has the same major shareholding group | 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 2023 to 30 June 2024. Rental fee of 430 baht/ sq. meter per month including component parts such as electricity, water and parking space. The rate which is determined by comparing the market. The evaluated by the Valuation and Consultant Co., Ltd. | 2.58 | <u>Opinions of the Board of Directors and the Audit Committee</u> 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 and external evaluator to provide comments on the suitability of the rental rate. |
| | | 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 2024 to 30 June 2025. | 2.58 | - No change in rental rates for space and services. |

| Individual / Entities that may conflict | Relationship | Description | Value of transaction in 2024 (Million Baht) | Necessary and Justification |
|---|--|--|---|---|
| Firstwood Co., Ltd. (con't) | <ul style="list-style-type: none"> - Related company - Has the same major shareholding group | <p>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, 2023 to August 31, 2024. 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.</p> | 5.82 | <p><u>Opinions of the Board of Directors and the Audit Committee</u></p> <p>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.</p> |
| | | <p>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, 2024 to August 31, 2025.</p> | 2.90 | <ul style="list-style-type: none"> - No change in rental rates for space and services. |
| | | <p>The Company in the group pay the phone bill and the security services in advanced by Firstwood Co., Ltd.</p> | 1.59 | <ul style="list-style-type: none"> - According to telephone rates of TOT Plc. - The security services paid under the actual service. |

| Individual / Entities that may conflict | Relationship | Description | Value of transaction in 2024 (Million Baht) | Necessary and Justification |
|---|---|--|--|--|
| The Vanachai Group of Companies Co., Ltd. (con't) | <ul style="list-style-type: none"> - Parent company - Has the same major shareholding group | <ul style="list-style-type: none"> - 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, 2024 to June 30, 2027. The warehouse rental rate is 80 Baht/sq.m./month, which is determined by the market value estimated by The Valuation & Consultants Co., Ltd. | 0.72 | <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. |
| | | <ul style="list-style-type: none"> - 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, 2024 to June 30, 2027. The service charge rate is 20 Baht/sq.m./month, which is determined by the market value estimated by The Valuation & Consultants Co., Ltd. | 0.18 | |
| | | The company in the group which buys wood to make pallet legs for use in production processes. | 0.17 | Transactions between the company have the same price to the transactions with the outsiders. |

| Individual / Entities that may conflict | Relationship | Description | Value of transaction in 2024 (Million Baht) | Necessary and Justification |
|---|---|--|--|---|
| The Vanachai Group of Companies Co., Ltd. (con't) | <ul style="list-style-type: none"> - Parent company - Has the same major shareholding group | The Company in the group pay electricity and water supply bills. | 0.08 | Transactions are conforming to agree contract using criteria similar to those of outsiders. |
| | | The Company in the group pay the consignment fee. | 1.02 | |
| | | Trade receivable | 0.84 | |
| | | Other current receivable | 0.04 | |
| | | Other current payable | 0.30 | |

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.

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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, 2024 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.

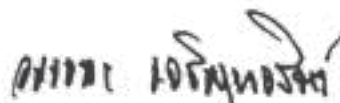
In this regard, the Board of Directors has appointed the Audit Committee, consisting of members who are independent from internal management. They are responsible for quality of financial reports and revision of internal control systems. The Audit Committee's opinions on these issues were already presented 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, 2024, are reliable and in compliance with Generally Accepted Accounting Principle and related rules.



(Mr.Sompop Sahawat)
Chairman



(Mr.Wanthana Jaroennawarat)
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of VANACHAI GROUP PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated and separate financial statements of VANACHAI GROUP PUBLIC COMPANY LIMITED and its subsidiaries ("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, 2024, 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 material accounting policies information.

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 subsidiaries and also of VANACHAI GROUP PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2024, 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, 2024, the Group's inventories in amount of Baht 2,615.49 million and allowance for decline in value of inventories in amount of Baht 92.26 million and allowances for decline in value of non-movement inventories of Baht 4.19 million. 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. Therefore, there is a risk with respect to the amount of provision set aside for diminution in the value of inventory; this is focus area in my audit. The accounting policies and details of allowance for diminution in value of inventories were disclosed in notes to financial statements No. 4.4 and 9. 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 24, 2025

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2024

(Unit : Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|------------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | | (Reclassified) | | (Reclassified) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalent items | 6 | 1,243,490,103.96 | 635,069,310.94 | 469,663,685.30 | 338,179,510.89 |
| Trade and other current receivable | 5.1 and 7 | 1,058,322,718.94 | 977,799,536.50 | 559,149,132.81 | 556,521,224.31 |
| Other current financial assets | 8 | - | 221,000,000.00 | - | 111,300,000.00 |
| Revenue Department receivable | | 148,014,204.81 | 316,859,450.70 | 49,761,026.47 | 151,704,157.85 |
| Short-term loans to related parties | 5.1 | - | - | - | 20,000,000.00 |
| Inventories | 9 | 2,615,493,687.13 | 2,901,614,545.47 | 715,375,110.74 | 755,548,450.75 |
| Maintenance supplies | | 768,771,052.50 | 780,751,151.83 | 279,534,089.84 | 285,835,266.29 |
| Current tax assets | | 1,653,223.23 | 2,475,154.12 | 1,000,077.74 | 1,459,084.59 |
| Total current assets | | 5,835,744,990.57 | 5,835,569,149.56 | 2,074,483,122.90 | 2,220,547,694.68 |
| Non-current assets | | | | | |
| Investments in subsidiaries | 10 | - | - | 6,299,598,370.00 | 6,259,598,370.00 |
| Property, plant and equipment | 11 | 11,118,552,879.72 | 12,030,868,850.64 | 2,533,824,708.30 | 2,642,754,923.58 |
| Right-of-use assets | 5.1 and 12 | 775,481,641.07 | 574,339,895.13 | 192,376,005.93 | 205,077,053.85 |
| Intangible assets | 13 | 122,671,647.28 | 51,887,450.56 | 37,594,903.36 | 307,155.04 |
| Deferred tax assets | 14 | 64,998,405.48 | 59,352,407.39 | 47,143,231.65 | 40,509,369.24 |
| Other non-current assets | | 78,028,132.58 | 18,276,109.85 | 76,342,410.21 | 10,094,925.33 |
| Total non-current assets | | 12,159,732,706.13 | 12,734,724,713.57 | 9,186,879,629.45 | 9,158,341,797.04 |
| Total assets | | 17,995,477,696.70 | 18,570,293,863.13 | 11,261,362,752.35 | 11,378,889,491.72 |

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, 2024

(Unit : Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|------------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | | (Reclassified) | | (Reclassified) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 15 | 2,470,251,514.60 | 2,742,333,725.07 | 1,063,821,151.16 | 1,139,000,000.00 |
| Trade and other current payable | 5.1 and 16 | 1,020,700,481.78 | 1,100,877,503.76 | 477,313,913.06 | 617,089,207.23 |
| Advances received from customers | | 721,916,668.90 | 640,353,725.94 | 24,025,383.93 | 149,297,976.92 |
| Current portion of long-term liabilities | | | | | |
| Long-term loans from financial institutions | 17 | 1,165,700,003.96 | 1,026,050,003.96 | 667,999,999.96 | 570,999,999.96 |
| Lease liabilities | 5.1 and 18 | 85,426,886.49 | 58,388,008.71 | 10,374,990.90 | 10,040,081.47 |
| Short-term loans from related parties | | - | - | 70,000,000.00 | - |
| Income tax payables | | 33,301,862.25 | 56,952,764.70 | 23,341,767.11 | 51,367,990.80 |
| Current provisions for employee benefits | 19 | 26,273,003.67 | 45,373,952.01 | 11,515,403.33 | 43,748,185.34 |
| Total current liabilities | | 5,523,570,421.65 | 5,670,329,684.15 | 2,348,392,609.45 | 2,581,543,441.72 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institutions | 17 | 3,867,589,993.07 | 4,633,289,993.07 | 856,140,005.07 | 1,124,140,001.07 |
| Lease liabilities | 5.1 and 18 | 700,241,142.11 | 512,718,180.88 | 198,985,899.76 | 209,333,890.66 |
| Non-current provisions for employee benefits | 19 | 453,918,389.55 | 412,953,602.14 | 248,113,430.33 | 180,746,751.67 |
| Deferred tax liabilities | 14 | 1,827,634.78 | 2,828,985.08 | - | - |
| Other non-current liabilities | | 3,164,698.86 | 3,658,321.34 | 3,164,698.86 | 4,479,321.34 |
| Total non-current liabilities | | 5,026,741,858.37 | 5,565,449,082.51 | 1,306,404,034.02 | 1,518,699,964.74 |
| Total liabilities | | 10,550,312,280.02 | 11,235,778,766.66 | 3,654,796,643.47 | 4,100,243,406.46 |
| Shareholders' equity | | | | | |
| 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 | | 3,965,959,971.75 | 3,857,217,802.11 | 4,215,170,719.88 | 3,887,250,696.26 |
| Total shareholders' equity of the Company | | 7,357,355,360.75 | 7,248,613,191.11 | 7,606,566,108.88 | 7,278,646,085.26 |
| Non-controlling interests of subsidiaries | | 87,810,055.93 | 85,901,905.36 | - | - |
| Total shareholders' equity | | 7,445,165,416.68 | 7,334,515,096.47 | 7,606,566,108.88 | 7,278,646,085.26 |
| Total liabilities and shareholders' equity | | 17,995,477,696.70 | 18,570,293,863.13 | 11,261,362,752.35 | 11,378,889,491.72 |

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, 2024

(Unit : Baht)

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|---------------------|-------------------------------|--------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Revenue from sales | | 13,539,671,442.09 | 14,148,185,097.11 | 4,729,493,070.39 | 5,433,636,168.01 |
| Cost of sales | 9 | (11,280,145,134.31) | (11,822,251,249.60) | (3,873,601,901.92) | (4,400,898,004.89) |
| Gross profit | | 2,259,526,307.78 | 2,325,933,847.51 | 855,891,168.47 | 1,032,738,163.12 |
| Dividend income from subsidiaries | 10 | - | - | 168,718,574.40 | 144,139,993.25 |
| Gain from exchange rate | | 129,238,950.36 | 60,637,480.57 | 12,465,016.64 | 17,945,268.71 |
| Gain (Loss) from disposed and written-off assets | | 274,015,138.66 | (942,528.68) | 148,491,344.07 | 1,414,149.43 |
| Other income | | 18,582,148.64 | 35,040,783.70 | 30,695,262.23 | 54,178,757.33 |
| Selling and distribution expenses | | (1,377,111,903.72) | (1,299,554,126.68) | (327,016,217.19) | (399,904,534.61) |
| Administrative expenses | | (453,492,923.68) | (493,354,492.16) | (201,560,511.69) | (191,524,033.70) |
| Loss from exchange rate | | - | (3,111,054.65) | - | - |
| Management benefit expenses | 5.3 | (97,767,609.52) | (88,404,526.80) | (41,373,257.00) | (32,436,676.67) |
| Profit from operating activities | | 752,990,108.52 | 536,245,382.81 | 646,311,379.93 | 626,551,086.86 |
| Finance cost | | (443,096,962.44) | (422,449,262.46) | (141,378,547.54) | (130,627,279.58) |
| Profit before income tax | | 309,893,146.08 | 113,796,120.35 | 504,932,832.39 | 495,923,807.28 |
| Income tax expenses | 24 | (77,783,062.27) | (68,854,239.76) | (55,553,045.17) | (70,116,064.93) |
| Profit for the year | | 232,110,083.81 | 44,941,880.59 | 449,379,787.22 | 425,807,742.35 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the year | | 232,110,083.81 | 44,941,880.59 | 449,379,787.22 | 425,807,742.35 |
| Profit attributable to: | | | | | |
| Shareholders of the Company | | 230,201,933.24 | 26,658,755.52 | 449,379,787.22 | 425,807,742.35 |
| Non-controlling interests of the subsidiaries | 10 | 1,908,150.57 | 18,283,125.07 | - | - |
| Profit for the year | | 232,110,083.81 | 44,941,880.59 | 449,379,787.22 | 425,807,742.35 |
| Total comprehensive income attributable to: | | | | | |
| Shareholders of the Company | | 230,201,933.24 | 26,658,755.52 | 449,379,787.22 | 425,807,742.35 |
| Non-controlling interests of the subsidiaries | 10 | 1,908,150.57 | 18,283,125.07 | - | - |
| Total comprehensive income for the year | | 232,110,083.81 | 44,941,880.59 | 449,379,787.22 | 425,807,742.35 |
| Basic earnings per share | 25 | 0.13 | 0.02 | 0.26 | 0.25 |

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, 2024

| | Notes | Issued and paid-up share capital | Premiums on share capital | Retained earnings | | Total shareholders' | | Non-controlling interests of subsidiaries | Total shareholders' equity |
|--|-------|-------------------------------------|------------------------------|-------------------------------|------------------|-------------------------|----------------|---|----------------------------------|
| | | | | Appropriated legal reserve | Unappropriated | equity - the Company | | | |
| | | | | | | | | | |
| Balance as at January 1, 2023 | | 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 paid | 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 | |
| Profit for the year | | - | - | - | 230,201,933.24 | 230,201,933.24 | 1,908,150.57 | 232,110,083.81 | |
| Other comprehensive income for the year | | - | - | - | - | - | - | - | |
| Total comprehensive income for the year | | - | - | - | 230,201,933.24 | 230,201,933.24 | 1,908,150.57 | 232,110,083.81 | |
| Dividend paid | 22 | - | - | - | (121,459,763.60) | (121,459,763.60) | - | (121,459,763.60) | |
| Balance as at December 31, 2024 | | 1,735,237,480.00 | 1,482,634,161.00 | 173,523,748.00 | 3,965,959,971.75 | 7,357,355,360.75 | 87,810,055.93 | 7,445,165,416.68 | |

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, 2024

| | | | | | | (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, 2023 | | 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 |
| Profit for the year | | - | - | - | 449,379,787.22 | 449,379,787.22 |
| Other comprehensive income for the year | | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | 449,379,787.22 | 449,379,787.22 |
| Dividend paid | 22 | - | - | - | (121,459,763.60) | (121,459,763.60) |
| Balance as at December 31, 2024 | | 1,735,237,480.00 | 1,482,634,161.00 | 173,523,748.00 | 4,215,170,719.88 | 7,606,566,108.88 |

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, 2024

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------|--------------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash flow from operating activities | | | | |
| Profit for the year | 232,110,083.81 | 44,941,880.59 | 449,379,787.22 | 425,807,742.35 |
| Adjustments to reconcile profit for cash received (used) from operations | | | | |
| Expected credit losses (reversal) | 2,986,283.31 | (1,806,648.46) | (1,800,000.00) | (1,800,000.00) |
| Loss on diminution in value of inventories (reversal) | (2,297,704.28) | 64,065,871.67 | 5,999,130.82 | (3,282,052.57) |
| Loss on diminution in value of non-movement inventories | 452,144.08 | 322,845.40 | 452,144.08 | 322,845.40 |
| Dividend income from subsidiaries | - | - | (168,718,574.40) | (144,139,993.25) |
| Depreciation of property, plant and equipment | 1,033,769,878.87 | 1,103,854,214.99 | 236,016,182.43 | 232,773,416.59 |
| Depreciation of right-of-use assets | 69,631,176.56 | 50,760,306.97 | 12,701,047.92 | 12,701,047.92 |
| Amortized intangible assets | 6,699,742.87 | 4,070,192.68 | 388,489.27 | 426,907.85 |
| Gain from disposed and written-off assets | (274,015,138.67) | (25,705,330.13) | (148,491,344.07) | (1,414,149.43) |
| Written-off assets to expenses | 1,936,524.76 | 4,840,269.89 | 486,932.26 | 2,650,603.22 |
| Gain from lease termination and modification | (15,844.68) | (1,049,830.99) | - | - |
| Unrealized (gain) loss on exchange rate | 3,667,199.16 | (8,369,806.48) | 1,866,658.54 | 1,364,478.19 |
| Employee benefits expenses | 40,001,621.09 | 38,559,772.14 | 18,045,827.00 | 16,212,398.00 |
| Interest income | (10,317,276.43) | (6,289,317.89) | (4,028,817.78) | (3,496,223.85) |
| Interest expenses of loans | 414,107,570.74 | 400,467,745.52 | 133,172,749.01 | 122,047,035.08 |
| Interest expenses of lease liabilities | 28,989,391.70 | 21,981,516.94 | 8,205,798.53 | 8,580,244.50 |
| Income tax expenses | 77,783,062.27 | 68,854,239.76 | 55,553,045.17 | 70,116,064.93 |
| Profit from operation before changes in operating assets and liabilities | 1,625,488,715.16 | 1,759,497,922.60 | 599,229,056.00 | 738,870,364.93 |
| Change in operating assets and liabilities | | | | |
| Trade and other current receivable | (82,141,355.04) | 235,053,666.10 | (1,923,152.72) | 181,101,067.91 |
| Other current financial assets | 221,000,000.00 | (221,000,000.00) | 111,300,000.00 | (111,300,000.00) |
| Revenue Department receivable | 168,845,245.89 | 7,580,184.28 | 101,943,131.38 | 8,587,570.23 |
| Inventories | 291,067,572.73 | 283,729,374.65 | 33,841,587.11 | 92,920,869.11 |
| Maintenance supplies | 51,202,482.44 | (45,415,422.21) | 36,642,084.96 | (19,235,355.29) |
| Other non-current assets | 14,671,574.85 | 4,653,351.66 | 10,094,925.33 | 4,655,257.50 |
| Trade and other current payable | (95,368,671.46) | (170,453,626.92) | (145,321,110.07) | (50,121,363.19) |
| Advances received from customers | 279,996,142.96 | (346,672,417.51) | (12,444,392.99) | (1,963,271.60) |
| Provision for employee benefits | (18,137,782.02) | (7,195,756.99) | 17,088,069.65 | (6,388,196.66) |
| Other non-current liabilities | (493,622.48) | (4,107,887.33) | (1,314,622.48) | (4,107,887.33) |
| Cash received from operation | 2,456,130,303.03 | 1,495,669,388.33 | 749,135,576.17 | 833,019,055.61 |
| Cash received from interest income | 10,317,276.43 | 6,289,317.89 | 4,055,667.10 | 3,961,771.79 |
| Cash received for income tax | 5,068,051.83 | - | 752,284.64 | - |
| Cash paid for income tax | (110,408,621.42) | (91,077,226.02) | (90,506,409.06) | (71,136,562.80) |
| Net cash received from operating activities | 2,361,107,009.87 | 1,410,881,480.20 | 663,437,118.85 | 765,844,264.60 |

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, 2024

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|--------------------|--------------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash flow from investing activities | | | | |
| Cash received from short-term loans to related parties | - | - | 20,000,000.00 | 80,000,000.00 |
| Cash paid for short-term loans to related parties | - | - | - | (55,000,000.00) |
| Cash paid for investment in subsidiaries | - | - | (40,000,000.00) | (165,000,000.00) |
| Dividend income from subsidiaries | - | - | 168,718,574.40 | 144,139,993.25 |
| Cash received from disposed of property, plant and equipment | 273,231,073.37 | 60,065,055.38 | 57,090,904.05 | 2,592,968.92 |
| Cash paid for purchase of property, plant and equipment | (373,729,268.06) | (478,110,105.90) | (169,070,479.92) | (290,386,501.26) |
| Cash paid for interest expenses capitalized to cost of assets | (4,838,914.94) | (7,048,977.94) | (4,838,914.94) | (5,511,670.06) |
| Cash paid for right-of-use assets | (106,110.01) | (21,600,243.86) | - | - |
| Cash paid for purchase of intangible assets | (76,092,939.59) | (23,819,614.00) | (37,676,237.59) | (419,743.00) |
| Cash paid for advance payment for assets | (76,342,410.21) | (9,342,600.00) | (76,342,410.21) | (9,342,600.00) |
| Cash received from advance receipt form assets | 25,431,000.00 | 198,433,200.00 | - | 112,828,200.00 |
| Net cash used in investing activities | (232,447,569.44) | (281,423,286.32) | (82,118,564.21) | (186,099,352.15) |
| Cash flow from financing activities | | | | |
| Decrease in short-term loans from financial institutions | (272,082,210.47) | (384,212,328.25) | (75,178,848.84) | (211,000,000.00) |
| Cash received from Short-term loans from related parties | - | - | 70,000,000.00 | - |
| Cash received from long-term loans from financial institutions | 400,000,000.00 | 577,140,000.00 | 400,000,000.00 | 486,140,000.00 |
| Cash paid for long-term loans from financial institutions | (1,026,050,000.00) | (1,394,050,002.97) | (570,999,996.00) | (652,499,998.97) |
| Cash paid for lease liabilities | (85,534,288.50) | (69,770,794.59) | (18,218,880.00) | (18,218,880.00) |
| Cash paid for interest expenses of loans | (415,112,384.84) | (399,571,302.67) | (133,976,891.79) | (121,221,485.77) |
| Dividend paid | (121,459,763.60) | (173,518,028.00) | (121,459,763.60) | (173,518,028.00) |
| Dividend paid for non-controlling interests of the subsidiaries | - | (5,958,400.00) | - | - |
| Net cash used in financing activities | (1,520,238,647.41) | (1,849,940,856.48) | (449,834,380.23) | (690,318,392.74) |
| Cash and cash equivalent items increase(decrsase)-net | 608,420,793.02 | (720,482,662.60) | 131,484,174.41 | (110,573,480.29) |
| Cash and cash equivalent items at the beginning of the year | 635,069,310.94 | 1,355,551,973.54 | 338,179,510.89 | 448,752,991.18 |
| Cash and cash equivalent items at the end of the year | 1,243,490,103.96 | 635,069,310.94 | 469,663,685.30 | 338,179,510.89 |

Additional disclosure :

Items not affecting cash flow are as follows: -

| | | | | |
|--|----------------|---------------|----------------|---------------|
| - Transfer property, plant and equipment to maintenance supplies | 39,222,383.11 | 4,171,872.46 | 30,340,908.51 | - |
| - Transfer property, plant and equipment to inventories | 3,101,154.19 | - | 119,522.00 | - |
| - Purchases of property, plant and equipment which had not yet been paid | 9,770,153.71 | 19,231,584.25 | 5,551,695.04 | 15,217,599.47 |
| - Purchases of intangible assets which had not yet been paid | 1,391,000.00 | - | - | - |
| - Transfer deposit to property, plant and equipment | - | 12,103,500.00 | - | - |
| - Property, plant, and equipment decreased due to the reduction of machinery liability | 177,250,775.80 | - | - | - |
| - Acquisition of rights of assets under lease agreements | 245,903,291.52 | 98,038,107.78 | - | - |
| - Transfer rights of use assets to property, plant and equipment | 455,768.00 | - | - | - |
| - Transfer advance receipt for assets less cash received from selling | 223,864,200.00 | - | 112,828,200.00 | - |
| - Employee benefit expenses capitalized to cost of assets | - | 34,056.94 | - | - |

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

VANACHAI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024

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 October 27, 2023, 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 then the carrying amount. This requires judgments regarding forecast of future revenues and expanses 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.

Provisions for employee benefit

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, 2024 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>2024</u> | <u>2023</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 subsidiaries after eliminating inter-company transaction items. The balances between the Company and subsidiaries, significant intra-group transactions, investments in subsidiaries and share capital of subsidiaries 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 current receivables

Trade and other current 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 current 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 current 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 Maintenance supplies 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 subsidiaries 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:-

| | |
|----------|----------|
| Building | 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 subsidiaries represent the portion of book value of the net assets of the subsidiaries 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 income 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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Trade receivable | | | | |
| Parent company | 835,506.00 | 516,470.50 | - | - |
| Subsidiaries | - | - | 113,096,236.64 | 106,468,848.95 |
| Related companies | 14,411,903.28 | 27,777,982.36 | 10,835,580.77 | 23,894,667.55 |
| Related person | 155,923.00 | 54,909.00 | - | - |
| Total | 15,403,332.28 | 28,349,361.86 | 123,931,817.41 | 130,363,516.50 |
| Other current receivable | | | | |
| Parent company | 40,000.00 | - | - | - |
| Subsidiaries | - | - | 16,388,227.06 | 28,326,292.05 |
| Related companies | 1,106,590.28 | 119,171.25 | 113,408.23 | 119,171.25 |
| Total | 1,146,590.28 | 119,171.25 | 16,501,635.29 | 28,445,463.30 |
| Accrued Income | | | | |
| Subsidiaries | - | - | - | 26,849.32 |
| Related companies | 64,927.24 | 121,875.70 | - | - |
| Total | 64,927.24 | 121,875.70 | - | 26,849.32 |
| Short-term loans to related parties | | | | |
| Subsidiaries | | | | |
| Beginning balance | - | - | 20,000,000.00 | 45,000,000.00 |
| Addition during the year | - | - | - | 55,000,000.00 |
| Repayment during the year | - | - | (20,000,000.00) | (80,000,000.00) |
| Ending balance | - | - | - | 20,000,000.00 |

As at December 31, 2023, the Company has short-term loans to its subsidiary in the form of promissory note in the type at call and bearing the interest rate at 3.50% per annum.

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|----------------|--------------------------------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Right-of-use assets-net | | | | |
| Parent company | 8,573,555.34 | 10,132,383.54 | - | - |
| Related companies | 565,108,981.79 | 355,459,052.51 | 192,120,878.76 | 204,515,774.16 |
| Total | 573,682,537.13 | 365,591,436.05 | 192,120,878.76 | 204,515,774.16 |
| Trade payable | | | | |
| Subsidiaries | - | - | 210,476,098.99 | 361,050,878.15 |
| Related companies | 25,026,385.94 | 21,344,212.97 | 574,474.44 | 802,870.22 |
| Total | 25,026,385.94 | 21,344,212.97 | 211,050,573.43 | 361,853,748.37 |
| Other payable | | | | |
| Parent company | 297,949.74 | 79,276.30 | - | - |
| Subsidiaries | - | - | 6,833,840.00 | 13,584,967.14 |
| Related companies | 3,487,084.15 | 127,350.46 | - | 40,008.10 |
| Total | 3,785,033.89 | 206,626.76 | 6,833,840.00 | 13,624,975.24 |
| Accrued expenses | | | | |
| Related companies | 648.42 | 9,400.54 | 234,931.51 | 28,767.13 |
| Deposit | | | | |
| Subsidiaries | - | - | - | 821,000.00 |
| Short-term loans from related parties | | | | |
| Subsidiaries | | | | |
| Beginning balance | - | - | - | - |
| Addition during the year | - | - | 70,000,000.00 | - |
| Ending balance | - | - | 70,000,000.00 | - |

As at December 31, 2024, the Company has short-term loans from its subsidiary in the form of promissory note in the type at call and bearing the interest rate at 3.50% per annum.

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-----------------|--------------------------------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Lease liabilities | | | | |
| Parent company | 9,054,440.43 | 10,533,995.63 | - | - |
| Related companies | 614,671,347.28 | 381,881,782.06 | 209,068,430.92 | 218,773,602.81 |
| Total | 623,725,787.71 | 392,415,777.69 | 209,068,430.92 | 218,773,602.81 |
| Less Current portion of lease liabilities | | | | |
| Parent company | (1,528,363.52) | (1,479,555.20) | - | - |
| Related companies | (37,697,396.03) | (17,140,769.41) | (10,082,531.16) | (9,705,171.90) |
| Total | (39,225,759.55) | (18,620,324.61) | (10,082,531.16) | (9,705,171.90) |
| Net | 584,500,028.16 | 373,795,453.08 | 198,985,899.76 | 209,068,430.91 |

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---------------------------|--|-------------|--------------------------------------|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Purchase of assets | | | | |
| Subsidiaries | - | - | 17,534,713.24 | 97,268,957.07 |
| Sales of assets | | | | |
| Subsidiaries | - | - | 411,703.02 | 1,011,384.00 |

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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Sales of goods and services | | | | |
| Parent company | 3,272,856.02 | 577,705.56 | - | - |
| Subsidiaries | - | - | 365,834,409.87 | 333,349,576.06 |
| Related companies | 90,957,214.64 | 119,462,884.39 | 64,082,775.00 | 101,754,634.00 |
| Related person | 121,003.74 | 225,682.23 | - | - |
| Total | 94,351,074.40 | 120,266,272.18 | 429,917,184.87 | 435,104,210.06 |
| Other income | | | | |
| Parent company | 750.00 | - | 750.00 | - |
| Subsidiaries | - | - | 24,953,819.02 | 42,705,029.47 |
| Related companies | 648,275.32 | 901,804.58 | 24,351.80 | 6,188.00 |
| Total | 649,025.32 | 901,804.58 | 24,978,920.82 | 42,711,217.47 |
| Dividend income | | | | |
| Subsidiaries | - | - | 168,718,574.40 | 144,139,993.25 |
| Interest income | | | | |
| Subsidiaries | - | - | 53,698.63 | 1,409,109.59 |
| Purchase of goods | | | | |
| Parent company | 171,360.00 | - | - | - |
| Subsidiaries | - | - | 880,121,880.92 | 1,176,864,112.53 |
| Related companies | 92,851,063.89 | 102,895,963.96 | 6,956,431.50 | 5,057,254.00 |
| Total | 93,022,423.89 | 102,895,963.96 | 887,078,312.42 | 1,181,921,366.53 |

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|---------------|--------------------------------------|---------------|
| | <u>For the years ended December 31,</u> | | | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Other expenses | | | | |
| Parent company | 1,098,171.61 | 895,360.00 | - | - |
| Subsidiaries | - | - | 91,849,244.35 | 95,830,618.61 |
| Related companies | 2,661,718.85 | 1,887,578.15 | 793,364.45 | 838,618.20 |
| Total | 3,759,890.46 | 2,782,938.15 | 92,642,608.80 | 96,669,236.81 |
| Depreciation of right-of-use assets | | | | |
| Parent company | 1,558,828.20 | 1,558,828.20 | - | - |
| Related companies | 37,178,304.17 | 22,090,331.53 | 12,394,895.40 | 12,394,895.39 |
| Total | 38,737,132.37 | 23,649,159.73 | 12,394,895.40 | 12,394,895.39 |
| Interest expense from loans | | | | |
| Subsidiaries | - | - | 234,931.51 | 373,972.61 |
| Interest expenses from lease liabilities | | | | |
| Parent company | 320,444.80 | 367,694.41 | - | - |
| Related companies | 23,705,546.39 | 16,047,933.17 | 8,189,708.11 | 8,552,943.90 |
| Total | 24,025,991.19 | 16,415,627.58 | 8,189,708.11 | 8,552,943.90 |

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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Short-term employee benefits | 95,734,802.35 | 86,006,823.17 | 40,259,595.00 | 31,323,014.67 |
| Post-employment benefits | 2,032,807.17 | 2,397,703.63 | 1,113,662.00 | 1,113,662.00 |
| Total | 97,767,609.52 | 88,404,526.80 | 41,373,257.00 | 32,436,676.67 |

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, 2024 and 2023 in amount of Baht 4.83 million and Baht 4.41 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 | 0.30%-0.42% 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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Cash | 5,391,107.89 | 9,839,225.98 | 2,103,379.93 | 2,468,725.31 |
| Bank deposit | 1,227,696,521.15 | 593,885,494.49 | 457,141,569.85 | 324,366,195.11 |
| Cheques on hand | 10,402,474.92 | 31,344,590.47 | 10,418,735.52 | 11,344,590.47 |
| Total | 1,243,490,103.96 | 635,069,310.94 | 469,663,685.30 | 338,179,510.89 |

7. Trade and other current receivables

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-----------------|--------------------------------------|-----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Trade receivable-related parties | 15,403,332.28 | 28,349,361.86 | 123,931,817.41 | 130,363,516.50 |
| Trade receivable-other parties | 908,240,516.96 | 816,218,776.24 | 384,573,999.96 | 355,242,547.94 |
| Post dated cheques-other parties | 13,093,058.78 | 29,265,066.03 | 10,700,998.88 | 24,038,306.13 |
| Returned cheques receivable | 13,257,049.81 | 11,695,470.84 | 13,257,049.81 | 11,695,470.84 |
| Total trade receivable | 949,993,957.83 | 885,528,674.97 | 532,463,866.06 | 521,339,841.41 |
| <u>Less</u> Allowance for expected credit losses | (14,082,327.96) | (11,760,365.72) | (8,082,294.41) | (11,728,189.72) |
| Total trade receivable-net | 935,911,629.87 | 873,768,309.25 | 524,381,571.65 | 509,611,651.69 |
| Other current receivable-related parties | 1,146,590.28 | 119,171.25 | 16,501,635.29 | 28,445,463.30 |
| Other current receivable-other parties | 33,724,343.83 | 39,103,188.68 | 882,526.67 | 888,157.85 |
| Accrued income-related parties | 64,927.24 | 121,875.70 | - | 26,849.32 |
| Prepaid expenses | 61,638,197.69 | 37,956,436.75 | 6,573,070.59 | 6,822,875.11 |
| Deposits | 1,789,332.14 | 1,432,225.41 | 1,519,463.72 | 1,359,028.77 |
| Others | 24,047,697.89 | 26,479,903.70 | 9,290,864.89 | 9,367,198.27 |
| Total other current receivables | 122,411,089.07 | 105,212,801.49 | 34,767,561.16 | 46,909,572.62 |
| <u>Less</u> Allowance for expected credit losses | - | (1,181,574.24) | - | - |
| Total other current receivable-net | 122,411,089.07 | 104,031,227.25 | 34,767,561.16 | 46,909,572.62 |
| Total trade and other current receivables | 1,058,322,718.94 | 977,799,536.50 | 559,149,132.81 | 556,521,224.31 |

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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Local trade receivable | | | | |
| Within credit term | 13,805,743.60 | 28,341,361.86 | 87,754,129.64 | 97,547,799.39 |
| Overdue 1-90 days | 1,455,095.68 | 8,000.00 | 36,177,687.77 | 32,815,717.11 |
| Overdue over 90 days | 142,493.00 | - | - | - |
| Total | 15,403,332.28 | 28,349,361.86 | 123,931,817.41 | 130,363,516.50 |

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

7.2 Trade receivable-other parties

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-----------------|--------------------------------------|-----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Within credit term | 448,841,076.71 | 458,223,024.59 | 319,802,060.42 | 323,463,422.82 |
| Overdue 1-90 days | 465,202,268.34 | 381,964,460.63 | 74,985,339.43 | 53,342,881.42 |
| Overdue 91-180 days | 4,553,486.87 | 4,435,556.17 | 487,599.00 | 2,441,830.95 |
| Overdue 181-270 days | 524,600.00 | 785,214.00 | - | - |
| Overdue over 270 days | 15,469,193.63 | 11,771,057.72 | 13,257,049.80 | 11,728,189.72 |
| Total | 934,590,625.55 | 857,179,313.11 | 408,532,048.65 | 390,976,324.91 |
| <u>Less</u> Allowance for expected credit losses | (14,082,327.96) | (11,760,365.72) | (8,082,294.41) | (11,728,189.72) |
| Net | 920,508,297.59 | 845,418,947.39 | 400,449,754.24 | 379,248,135.19 |

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 current receivable for the years ended December 31, 2024 and 2023, were as follows: -

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-----------------------------|--|-----------------|--------------------------------------|-----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Beginning balance | (12,941,939.96) | (14,748,588.42) | (11,728,189.72) | (13,528,189.72) |
| Increase during the year | (4,786,283.31) | (32,176.00) | - | - |
| Collect during the year | 1,800,000.00 | 1,838,824.46 | 1,800,000.00 | 1,800,000.00 |
| Written off during the year | 1,845,895.31 | - | 1,845,895.31 | - |
| Ending balance | (14,082,327.96) | (12,941,939.96) | (8,082,294.41) | (11,728,189.72) |

8. Other current financial assets

As at December 31, 2023, Consolidated 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> | | | | | | | | |
|--|------------------|---|--|------------------|------------------|---|--|------------------|
| 2024 | | | | 2023 | | | | |
| | 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 | 1,737,971,738.15 | (87,091,482.93) | (4,185,305.13) | 1,646,694,950.09 | 2,082,937,924.31 | (91,116,137.33) | (3,733,161.05) | 1,988,088,625.93 |
| Work in process | 169,791,609.10 | (5,171,752.73) | - | 164,619,856.37 | 176,070,420.26 | (3,444,802.61) | - | 172,625,617.65 |
| Raw materials | 558,663,306.76 | - | - | 558,663,306.76 | 481,598,100.31 | - | - | 481,598,100.31 |
| Supplies | 217,370,477.67 | - | - | 217,370,477.67 | 226,222,992.14 | - | - | 226,222,992.14 |
| Goods in transit | 28,145,096.24 | - | - | 28,145,096.24 | 33,079,209.44 | - | - | 33,079,209.44 |
| Total | 2,711,942,227.92 | (92,263,235.66) | (4,185,305.13) | 2,615,493,687.13 | 2,999,908,646.46 | (94,560,939.94) | (3,733,161.05) | 2,901,614,545.47 |

(Unit : Baht)

| <u>Separate financial statements</u> | | | | | | | | |
|--------------------------------------|----------------|---|--|----------------|----------------|---|--|----------------|
| 2024 | | | | 2023 | | | | |
| | 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 | 430,515,405.99 | (7,786,981.01) | (4,185,305.13) | 418,543,119.85 | 452,722,004.82 | (3,325,370.82) | (3,733,161.05) | 445,663,472.95 |
| Work in process | 75,932,868.69 | (2,567,749.67) | - | 73,365,119.02 | 108,156,161.82 | (1,030,229.04) | - | 107,125,932.78 |
| Raw materials | 173,585,601.19 | - | - | 173,585,601.19 | 150,006,969.45 | - | - | 150,006,969.45 |
| Supplies | 49,881,270.68 | - | - | 49,881,270.68 | 52,752,075.57 | - | - | 52,752,075.57 |
| Total | 729,915,146.55 | (10,354,730.68) | (4,185,305.13) | 715,375,110.74 | 763,637,211.66 | (4,355,599.86) | (3,733,161.05) | 755,548,450.75 |

The movement of allowance for diminution in value of inventories for the years ended December 31, 2024 and 2023 was as follows: -

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-------------------------------------|--|-----------------|--------------------------------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Beginning balance | (94,560,939.94) | (30,495,068.27) | (4,355,599.86) | (7,637,652.43) |
| (Addition) Reversal during the year | 2,297,704.28 | (64,065,871.67) | (5,999,130.82) | 3,282,052.57 |
| Ending balance | (92,263,235.66) | (94,560,939.94) | (10,354,730.68) | (4,355,599.86) |

The movement of allowances for diminution in value of non-movement inventories for the years ended December 31, 2024 and 2023 was as follows: -

| | (Unit : Baht) | | | |
|--------------------------|--|----------------|--------------------------------------|----------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Beginning balance | (3,733,161.05) | (3,410,315.65) | (3,733,161.05) | (3,410,315.65) |
| Addition during the year | (452,144.08) | (322,845.40) | (452,144.08) | (322,845.40) |
| Ending balance | (4,185,305.13) | (3,733,161.05) | (4,185,305.13) | (3,733,161.05) |

| | (Unit : Baht) | | | |
|---|--|-------------------|--------------------------------------|------------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Cost of inventories record as expenses and include in the cost of sales | | | | |
| - Cost of sales | 11,281,990,694.51 | 11,736,076,933.26 | 3,867,150,627.02 | 4,382,071,612.79 |
| - Written down value to net realizable value (reversal) | (2,297,704.28) | 64,065,871.67 | 5,999,130.82 | (3,282,052.57) |
| - Diminution in value of non-movement inventories | 452,144.08 | 322,845.40 | 452,144.08 | 322,845.40 |
| - Cost of testing | - | 21,785,599.27 | - | 21,785,599.27 |
| Net | 11,280,145,134.31 | 11,822,251,249.60 | 3,873,601,901.92 | 4,400,898,004.89 |

10. Investments in subsidiaries

| | (Unit : Baht) | | | | | | | |
|--|--------------------------------------|-------------|-------------------------|-------------|-------------------------------|------------------|--|----------------|
| | <u>Separate financial statements</u> | | | | | | | |
| | <u>Paid-up share capital</u> | | <u>Percentage of</u> | | <u>Investment cost method</u> | | <u>Dividend</u> | |
| <u>Name of companies</u> | <u>(Unit : Thousand Baht)</u> | | <u>Shareholding (%)</u> | | <u>As at December 31,</u> | | <u>For the year ended December 31,</u> | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</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 | 41,999,980.40 | - |
| Woodtek International Co., Ltd. | 2,000 | 2,000 | 99.97 | 99.97 | 1,999,300.00 | 1,999,300.00 | 3,998,600.00 | - |
| Vanachai Energy Industries Co., Ltd. | 613,600 | 613,600 | 99.99 | 99.99 | 613,599,970.00 | 613,599,970.00 | 122,719,994.00 | 138,059,993.25 |
| Vanachai Woodsmith Co., Ltd. | 400,000 | 360,000 | 99.99 | 99.99 | 399,999,970.00 | 359,999,970.00 | - | - |
| Vanachai Logistic Co., Ltd. | 115,000 | 115,000 | 99.99 | 99.99 | 114,999,970.00 | 114,999,970.00 | - | - |
| PV Wood Co., Ltd. | 38,000 | 38,000 | 50.00 | 50.00 | 19,000,000.00 | 19,000,000.00 | - | 6,080,000.00 |
| Total | | | | | 6,299,598,370.00 | 6,259,598,370.00 | 168,718,574.40 | 144,139,993.25 |

The movement of investments in a subsidiary for the year ended December 31, 2024 was as follows: -

(Unit : Baht)

| | <u>Separate financial statement</u> |
|--|-------------------------------------|
| Beginning balance | 6,259,598,370.00 |
| Invested in Vanachai Woodsmith Co., Ltd. | 40,000,000.00 |
| Ending balance | <u>6,299,598,370.00</u> |

In accordance with the minutes of extraordinary shareholders' meeting No. 1/2024 of Vanachai Woodsmith Co., Ltd. held on June 17, 2024, the subsidiary company has resolution to increase the share capital by issuing new ordinary shares 4,000,000 shares of Baht 10.00 per share. The subsidiary company called for the paid-up capital in amount of Baht 40.00 million registered the increase in share capital with the Ministry of Commerce on June 27, 2024.

Subsidiary with material non-controlling interests

| | <u>Proportion of ownership</u> <u>interests held by the</u> <u>non-controlling interests</u> <u>as at December 31,</u> | | <u>Total comprehensive</u> <u>income allocated to</u> <u>non-controlling interests</u> <u>for the year ended December 31,</u> | | <u>Accumulated</u> <u>non-controlling interests</u> <u>as at December 31,</u> | |
|-------------------|---|-------------|--|---------------|---|---------------|
| <u>Name</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| PV Wood Co., Ltd. | 49.00% | 49.00% | 1,908,150.57 | 18,283,125.07 | 87,810,055.93 | 85,901,905.36 |

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

| | (Unit : Baht) | |
|---------------------------|-------------------------|-------------------------|
| | <u>2024</u> | <u>2023</u> |
| Current assets | 354,795,157.39 | 266,937,229.19 |
| Non-current assets | 302,646,596.96 | 155,560,054.11 |
| Total assets | <u>657,441,754.35</u> | <u>422,497,283.30</u> |
| Current liabilities | (245,608,526.59) | (129,437,128.47) |
| Non-current liabilities | (232,629,032.01) | (117,750,143.92) |
| Total liabilities | <u>(478,237,558.60)</u> | <u>(247,187,272.39)</u> |
| Net assets | <u>179,204,195.75</u> | <u>175,310,010.91</u> |
| Non-controlling interests | <u>87,810,055.93</u> | <u>85,901,905.36</u> |

| | (Unit : Baht) | |
|---|--|----------------------|
| | <u>For the year ended December 31,</u> | |
| | <u>2024</u> | <u>2023</u> |
| Revenue | 589,352,597.11 | 505,163,436.27 |
| Profit for the year attributable to the Company's shareholders | 1,986,034.27 | 19,029,375.07 |
| Profit for the year attributable to non-controlling interests | 1,908,150.57 | 18,283,125.07 |
| Profit for the year | 3,894,184.84 | 37,312,500.14 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income attributable to the Company's shareholders | 1,986,034.27 | 19,029,375.07 |
| Total comprehensive income attributable to non-controlling interests | 1,908,150.57 | 18,283,125.07 |
| Total comprehensive income for the year | <u>3,894,184.84</u> | <u>37,312,500.14</u> |
| Net cash received from operating activities | 29,501,225.63 | 53,695,390.90 |
| Net cash used in investing activities | (33,057,488.20) | (23,839,314.09) |
| Net cash used in financing activities | (12,605,860.79) | (23,860,000.00) |
| Cash and cash equivalent items increase (decrease)-net | <u>(16,162,123.36)</u> | <u>5,996,076.81</u> |

11. Property, plant and equipment

(Unit : Baht)

| Consolidated financial statements | | | | | | | | |
|---|----------------------------|--|------------------------|------------------|------------------|--------------------------------|--------------------------|---------------------|
| | Land and land improvements | Building improvements, factory building and construction | Machines and equipment | Vehicles | Tools | Furniture and office equipment | Construction in progress | Total |
| Cost: - | | | | | | | | |
| As at January 1, 2023 | 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 |
| Purchase | - | 3,496,060.00 | 159,268,591.14 | 29,720,291.80 | 8,700,330.71 | 5,602,870.65 | 176,711,277.47 | 383,499,421.77 |
| Interest expenses capitalized to cost of asset | - | - | - | - | - | - | 4,838,914.94 | 4,838,914.94 |
| Transfer in | 6,937,277.38 | 95,365,490.45 | 318,913,884.36 | 6,233,919.76 | 33,282,452.78 | 484,552.92 | 25,232,628.76 | 486,450,206.41 |
| Transfer out | - | (914,259.50) | (52,365,391.24) | (6,339,285.37) | - | (29,177,912.35) | (441,134,580.00) | (529,931,428.46) |
| Sale/Written-off | - | (83,894,027.54) | (2,253,146,117.19) | (35,046,458.51) | (50,730,346.50) | (19,865,280.59) | - | (2,442,682,230.33) |
| As at December 31, 2024 | 664,805,856.11 | 3,822,631,299.87 | 23,359,514,236.23 | 292,963,123.77 | 338,517,685.97 | 116,167,562.38 | 45,350,301.09 | 28,639,950,065.42 |
| Accumulated depreciation: - | | | | | | | | |
| As at January 1, 2023 | - | (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) |
| Depreciation for the year | - | (131,998,941.15) | (850,157,221.63) | (28,725,230.60) | (14,191,356.54) | (8,697,128.95) | - | (1,033,769,878.87) |
| Transfer in | - | - | (420,858.84) | (16,048.51) | (25,551,531.24) | - | - | (25,988,438.59) |
| Transfer out | - | 882,094.24 | 16,048.52 | 97,786.84 | - | 24,669,436.99 | - | 25,665,366.59 |
| Sale/Written-off | - | 65,331,219.21 | 2,055,377,193.70 | 28,538,174.63 | 50,568,775.88 | 19,786,732.20 | - | 2,219,602,095.62 |
| As at December 31, 2024 | - | (1,815,085,282.65) | (15,144,422,735.40) | (158,974,470.00) | (302,110,965.34) | (100,803,732.31) | - | (17,521,397,185.70) |
| Book value: - | | | | | | | | |
| 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 |
| As at December 31, 2024 | 664,805,856.11 | 2,007,546,017.22 | 8,215,091,500.83 | 133,988,653.77 | 36,406,720.63 | 15,363,830.07 | 45,350,301.09 | 11,118,552,879.72 |
| The depreciation in the statements of comprehensive income | | | | | | | | |
| For the year ended December 31, 2023 | | | | | | | | 1,103,854,214.99 |
| For the year ended December 31, 2024 | | | | | | | | 1,033,769,878.87 |

Separate financial statements

| | Land and land improvements | Building improvements, factory building and construction | Machines and equipment | Vehicles | Tools | Furniture and office equipment | Construction in progress | Total |
|---|-------------------------------|---|---------------------------|-----------------|------------------|-----------------------------------|-----------------------------|--------------------|
| Cost: - | | | | | | | | |
| As at January 1, 2023 | 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 |
| Purchase | 9,070,620.00 | 83,000.00 | 44,049,044.45 | 635,983.00 | 4,274,954.89 | 2,557,116.14 | 113,951,456.48 | 174,622,174.96 |
| Interest expenses capitalized to cost of asset | - | - | - | - | - | - | 4,838,914.94 | 4,838,914.94 |
| Transfer in | 6,937,277.38 | 88,019,748.06 | 349,128,079.84 | 5,409,285.37 | 3,099,200.93 | 472,382.92 | 7,661,240.56 | 460,727,215.06 |
| Transfer out | - | - | (24,903,117.56) | (5,409,285.37) | - | - | (461,362,174.90) | (491,674,577.83) |
| Sale/Written-off | - | (237,561.82) | (1,194,766,015.64) | - | (34,695,912.53) | (6,464,508.74) | - | (1,236,163,998.73) |
| As at December 31, 2024 | 349,593,263.77 | 1,342,681,190.00 | 5,277,919,216.01 | 64,902,734.41 | 192,125,384.18 | 48,334,967.73 | 49,889,645.65 | 7,325,446,401.75 |
| Accumulated depreciation: - | | | | | | | | |
| As at January 1, 2023 | - | (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) |
| Depreciation for the year | - | (45,700,604.49) | (177,838,590.84) | (4,418,312.20) | (5,490,283.83) | (2,568,391.07) | - | (236,016,182.43) |
| Sale/Written-off | - | 231,383.06 | 1,173,608,868.74 | - | 34,469,961.87 | 6,426,025.08 | - | 1,214,736,238.75 |
| As at December 31, 2024 | - | (641,535,639.56) | (3,890,842,706.91) | (40,448,302.18) | (177,699,194.86) | (41,095,849.94) | - | (4,791,621,693.45) |
| Book value: - | | | | | | | | |
| 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 |
| As at December 31, 2024 | 349,593,263.77 | 701,145,550.44 | 1,387,076,509.10 | 24,454,432.23 | 14,426,189.32 | 7,239,117.79 | 49,889,645.65 | 2,533,824,708.30 |

The depreciation in the statements of comprehensive income

For the year ended December 31, 2023

232,773,416.59

For the year ended December 31, 2024

236,016,182.43

For the years ended December 31, 2024 and 2023, the Group had capitalize to cost of construction in progress in the consolidated financial statement amount of Baht 4.84 million and Baht 7.05 million respectively, and the separate financial statements amount of Baht 4.84 million and 5.51 million by calculating from the interest rate of specific loan utilized for the investment in the said assets.

As at December 31, 2024 and 2023, the consolidated financial statements the Group had the assets which had not the depreciation but they still used. The cost price was Baht 8,734.97 million, the book value was Baht 148.52 million and the cost price was Baht 7,813.78 million, the book value was Baht 72.65 million respectively.

As at December 31, 2024 and 2023, the separate financial statements the Company had the assets which had not the depreciation but they still used. The cost price was Baht 3,127.71 million, the book value was Baht 35.23 million and the cost price was 3,733.07 million, the book value was Baht 35.68 million respectively.

As at December 31, 2024 and 2023, the Group has pledged the part of land, property and machinery with the book value stated in the consolidated financial statements of Baht 9,159.01 million and Baht 9,649.29 million respectively, and in the separate financial statements of Baht 1,727.97 million and Baht 1,929.52 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, 2024 and 2023 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, 2024 and 2023, 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 21.79 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 : Baht)

| | <u>Consolidated financial statement</u> | | <u>Separate financial statement</u> | |
|-------------------------------------|---|----------------|-------------------------------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Right-of-use assets-related parties | 573,682,537.13 | 365,591,436.05 | 192,120,878.76 | 204,515,774.16 |
| Right-of-use assets-other parties | 201,799,103.94 | 208,748,459.08 | 255,127.17 | 561,279.69 |
| Total right-of-use assets | 775,481,641.07 | 574,339,895.13 | 192,376,005.93 | 205,077,053.85 |

For the years ended December 31, 2024 and 2023, the movement were as follows: -

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | | |
|------------------------------------|--|-----------------|-----------------|----------------|
| | <u>Building</u> | <u>Machines</u> | <u>Vehicles</u> | <u>Total</u> |
| Right-of-use assets: - | | | | |
| As at January 1, 2023 | 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 |
| Lease modification 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 |
| Increased during the year | 225,887,380.79 | 20,122,020.74 | - | 246,009,401.53 |
| Lease modification during the year | 29,673,578.87 | - | - | 29,673,578.87 |
| Lease termination | (3,786,358.53) | (1,569,854.54) | (3,218,362.82) | (8,574,575.89) |
| Transfer out | - | (778,840.00) | - | (778,840.00) |
| As at December 31, 2024 | 864,502,379.33 | 39,606,549.07 | 95,414,642.64 | 999,523,571.04 |

(Unit : Baht)

Consolidated financial statements

| | Building | Machines | Vehicles | Total |
|---|------------------|-----------------|----------------|------------------|
| Accumulated depreciation: - | | | | |
| As at January 1, 2023 | (118,062,067.11) | (4,128,961.31) | (5,355,937.27) | (127,546,965.69) |
| Lease modification 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) |
| Lease modification during the year | 980,442.75 | 457,874.23 | 2,681,969.01 | 4,120,285.99 |
| Depreciation for portion shown in profit or loss | (60,335,756.84) | (6,734,865.65) | (2,560,554.07) | (69,631,176.56) |
| Transfer out | - | 323,072.00 | - | 323,072.00 |
| As at December 31, 2024 | (203,943,047.17) | (12,647,060.63) | (7,451,822.17) | (224,041,929.97) |
| Book value: - | | | | |
| As at December 31, 2023 | 468,140,045.12 | 15,140,081.66 | 91,059,768.35 | 574,339,895.13 |
| As at December 31, 2024 | 660,559,332.16 | 26,959,488.44 | 87,962,820.47 | 775,481,641.07 |
| The depreciation in the statements of comprehensive income | | | | |
| For the year ended December 31, 2023 | | | | 50,760,306.97 |
| For the year ended December 31, 2024 | | | | 69,631,176.56 |

(Unit : Baht)

Separate financial statements

| | Building | Machines | Total |
|---|-----------------|----------------|-----------------|
| Right-of-use assets: - | | | |
| As at January 1, 2023 | 254,095,355.70 | 1,787,207.20 | 255,882,562.90 |
| As at December 31, 2023 | 254,095,355.70 | 1,787,207.20 | 255,882,562.90 |
| As at December 31, 2024 | 254,095,355.70 | 1,787,207.20 | 255,882,562.90 |
| Accumulated depreciation: - | | | |
| As at January 1, 2023 | (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) |
| Depreciation for the year | (12,394,895.40) | (306,152.52) | (12,701,047.92) |
| As at December 31, 2024 | (61,974,476.92) | (1,532,080.05) | (63,506,556.97) |
| Book value: - | | | |
| As at December 31, 2023 | 204,515,774.18 | 561,279.67 | 205,077,053.85 |
| As at December 31, 2024 | 192,120,878.78 | 255,127.15 | 192,376,005.93 |
| The depreciation in the statements of comprehensive income | | | |
| For the year ended December 31, 2023 | | | 12,701,047.92 |
| For the year ended December 31, 2024 | | | 12,701,047.92 |

13. Intangible assets

(Unit : Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|-----------------|---------------------|-----------------|
| | Software | License | Software in process | Total |
| Cost: - | | | | |
| As at January 1, 2023 | 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 |
| Purchase | 331,169.60 | - | 77,152,769.99 | 77,483,939.59 |
| Transfer in | 65,332,480.00 | 95,720.00 | - | 65,428,200.00 |
| Transfer out | (95,720.00) | - | (65,332,480.00) | (65,428,200.00) |
| As at December 31, 2024 | 98,246,426.89 | 17,704,250.80 | 51,897,954.39 | 167,848,632.08 |
| Amortized: - | | | | |
| As at January 1, 2023 | (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) |
| Amortized for the year | (6,601,053.92) | (98,688.95) | - | (6,699,742.87) |
| Transfer in | - | (41,304.76) | - | (41,304.76) |
| Transfer out | 41,304.76 | - | - | 41,304.76 |
| As at December 31, 2024 | (27,845,344.75) | (17,331,640.05) | - | (45,176,984.80) |
| Book value: - | | | | |
| As at December 31, 2023 | 11,392,901.70 | 416,884.46 | 40,077,664.40 | 51,887,450.56 |
| As at December 31, 2024 | 70,401,082.14 | 372,610.75 | 51,897,954.39 | 122,671,647.28 |
| The amortized in the statements of comprehensive income | | | | |
| For the year ended December 31, 2023 | 4,070,192.68 | | | |
| For the year ended December 31, 2024 | 6,699,742.87 | | | |

(Unit : Baht)

| | Separate financial statements | | | |
|-------------------------|-------------------------------|----------------|---------------------|-----------------|
| | Software | License | Software in process | Total |
| Cost: - | | | | |
| As at January 1, 2023 | 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 |
| Purchase | 324,767.60 | - | 37,351,469.99 | 37,676,237.59 |
| As at December 31, 2024 | 7,938,623.88 | 3,994,000.00 | 37,351,469.99 | 49,284,093.87 |
| Amortized: - | | | | |
| As at January 1, 2023 | (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) |
| Amortized for the year | (377,535.32) | (10,953.95) | - | (388,489.27) |
| As at December 31, 2024 | (7,707,467.89) | (3,981,722.62) | - | (11,689,190.51) |
| Book value: - | | | | |
| As at December 31, 2023 | 283,923.71 | 23,231.33 | - | 307,155.04 |
| As at December 31, 2024 | 231,155.99 | 12,277.38 | 37,351,469.99 | 37,594,903.36 |

The amortized in the statements of comprehensive income

| | |
|--------------------------------------|------------|
| For the year ended December 31, 2023 | 426,907.85 |
| For the year ended December 31, 2024 | 388,489.27 |

13. Deferred tax assets (liabilities)

Deferred tax assets and liabilities as at December 31, 2024 and 2023 were as follows: -

(Unit : Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------|-----------------------------------|----------------|-------------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Deferred tax assets | 64,998,405.48 | 59,352,407.39 | 47,143,231.65 | 40,509,369.24 |
| Deferred tax liabilities | (1,827,634.78) | (2,828,985.08) | - | - |
| Net | 63,170,770.70 | 56,523,422.31 | 47,143,231.65 | 40,509,369.24 |

Movements in total deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 were as follows: -

(Unit : Baht)

| | Consolidated financial statements | | |
|------------------------------------|-----------------------------------|-----------------|-------------------|
| | (Charged)/credited | | |
| | to profit or loss | | |
| | January 1, 2024 | (Note 24) | December 31, 2024 |
| Deferred tax assets | | | |
| Trade and other current receivable | 2,305,311.23 | (688,852.35) | 1,616,458.88 |
| Inventories | 948,733.43 | 196,096.43 | 1,144,829.86 |
| Property, plant and equipment | (11,824,968.33) | (441,158.01) | (12,266,126.34) |
| Right-of-use assets | (93,922,015.14) | (43,132,096.55) | (137,054,111.69) |
| Lease liabilities | 98,784,126.96 | 47,479,461.06 | 146,263,588.02 |
| Provisions for employee benefits | 63,061,219.24 | 2,232,547.51 | 65,293,766.75 |
| Total | 59,352,407.39 | 5,645,998.09 | 64,998,405.48 |
| Deferred tax liabilities | | | |
| Trade and other current receivable | 236,314.85 | (236,314.85) | - |
| Inventories | 17,778,514.89 | (1,931,267.31) | 15,847,247.58 |
| Property, plant and equipment | (49,320,299.29) | 1,073,402.11 | (48,246,897.18) |
| Right-of-use assets | (2,813,837.73) | (2,527,034.52) | (5,340,872.25) |
| Lease liabilities | 2,999,162.40 | 2,473,139.20 | 5,472,301.60 |
| Provisions for employee benefits | 28,291,159.80 | 2,149,425.67 | 30,440,585.47 |
| Total | (2,828,985.08) | 1,001,350.30 | (1,827,634.78) |
| Net | 56,523,422.31 | 6,647,348.39 | 63,170,770.70 |

(Unit : Baht)

| | Consolidated financial statements | | |
|------------------------------------|-----------------------------------|----------------|-------------------|
| | (Charged)/credited | | |
| | to profit or loss | | |
| | January 1, 2023 | (Note 24) | December 31, 2023 |
| Deferred tax assets | | | |
| Trade and other current 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 |
| Provisions for employee benefits | 60,303,366.22 | 2,757,853.02 | 63,061,219.24 |
| Total | 57,248,838.55 | 2,103,568.84 | 59,352,407.39 |
| Deferred tax liabilities | | | |
| Trade and other current 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 |
| Provisions for employee benefits | 25,724,850.20 | 2,566,309.60 | 28,291,159.80 |
| Total | (18,815,600.01) | 15,986,614.93 | (2,828,985.08) |
| Net | 38,433,238.54 | 18,090,183.77 | 56,523,422.31 |

(Unit : Baht)

| | Separate financial statements | | |
|------------------------------------|-------------------------------|----------------|-------------------|
| | (Charged)/credited | | |
| | to profit or loss | | |
| | January 1, 2024 | (Note 24) | December 31, 2024 |
| Deferred tax assets | | | |
| Trade and other current receivable | 2,305,311.23 | (688,852.35) | 1,616,458.88 |
| Inventories | 795,760.69 | 216,148.45 | 1,011,909.14 |
| Lease liabilities | 43,874,794.43 | (2,002,616.29) | 41,872,178.14 |
| Provisions for employee benefits | 44,898,987.41 | 7,026,779.30 | 51,925,766.71 |
| Total | 91,874,853.76 | 4,551,459.11 | 96,426,312.87 |
| Deferred tax liabilities | | | |
| Property, plant and equipment | (10,350,073.76) | (457,806.28) | (10,807,880.04) |
| Lease liabilities | (41,015,410.76) | 2,540,209.58 | (38,475,201.18) |
| Total | (51,365,484.52) | 2,082,403.30 | (49,283,081.22) |
| Net | 40,509,369.24 | 6,633,862.41 | 47,143,231.65 |

(Unit : Baht)

| | Separate financial statements | | |
|------------------------------------|-------------------------------|----------------|-----------------|
| | (Charged)/credited | | |
| | to profit or loss | | |
| | January 1, 2023 | (Note 24) | January 1, 2023 |
| Deferred tax assets | | | |
| Trade and other current 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 |
| Provisions for employee benefits | 42,934,147.14 | 1,964,840.27 | 44,898,987.41 |
| Total | 92,213,098.87 | (338,245.11) | 91,874,853.76 |
| Deferred tax liabilities | | | |
| 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) |
| Total | (53,459,356.25) | 2,093,871.73 | (51,365,484.52) |
| Net | 38,753,742.62 | 1,755,626.62 | 40,509,369.24 |

As at December 31, 2024 and 2023, the Group had temporary differences mainly arising from the unutilized tax losses carry forward totaling Baht 1,741.50 million and Baht 2,462.16 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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Trust receipt | 383,251,514.60 | 528,333,725.07 | 11,821,151.16 | - |
| Export loans | 100,000,000.00 | 100,000,000.00 | - | - |
| Promissory note | 1,987,000,000.00 | 2,114,000,000.00 | 1,052,000,000.00 | 1,139,000,000.00 |
| Total | 2,470,251,514.60 | 2,742,333,725.07 | 1,063,821,151.16 | 1,139,000,000.00 |

As at December 31, 2024 and 2023, 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 3.45%-4.74% and 1.92%-4.15% per annum respectively.

As at December 31, 2024 and 2023, a subsidiary has export loans, which bearing the interest rate 4.35% and 4.75% per annum respectively 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 current payable

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|----------------------------------|--|------------------|--------------------------------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Trade payable-related parties | 25,026,385.94 | 21,344,212.97 | 211,050,573.43 | 361,853,748.37 |
| Trade payable-other parties | 385,809,365.96 | 318,690,819.23 | 68,159,096.54 | 59,923,786.02 |
| Other payable-related parties | 3,785,033.89 | 206,626.76 | 6,833,840.00 | 13,624,975.24 |
| Other payable-other parties | 406,703,286.06 | 579,417,023.41 | 122,165,387.16 | 109,213,798.09 |
| Accrued expenses-related parties | 648.42 | 9,400.54 | 234,931.51 | 28,767.13 |
| Accrued expenses-other parties | 188,273,704.70 | 166,196,093.60 | 62,379,939.17 | 63,864,012.65 |
| Others | 11,102,056.81 | 15,013,327.25 | 6,490,145.25 | 8,580,119.73 |
| Total | 1,020,700,481.78 | 1,100,877,503.76 | 477,313,913.06 | 617,089,207.23 |

17. Long-term loans from financial institutions

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|--------------------|--------------------------------------|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Long-term loan (Credit line of Baht 500 million) | 83,000,000.00 | 411,000,000.00 | 83,000,000.00 | 411,000,000.00 |
| Long-term loan (Credit line of Baht 600 million) | 240,000,000.00 | 360,000,000.00 | 240,000,000.00 | 360,000,000.00 |
| Long-term loan (Credit line of Baht 316 million) | 271,000,000.00 | 283,000,000.00 | 271,000,000.00 | 283,000,000.00 |
| Long-term loan (Credit line of Baht 100 million) | 50,000,005.03 | 75,000,001.03 | 50,000,005.03 | 75,000,001.03 |
| Long-term loan (Credit line of Baht 125 million) | 80,000,000.00 | 100,000,000.00 | 80,000,000.00 | 100,000,000.00 |
| Long-term loan (Credit line of Baht 500 million) | 400,140,000.00 | 466,140,000.00 | 400,140,000.00 | 466,140,000.00 |
| Long-term loan (Credit line of Baht 2,200 million) | 1,145,000,000.00 | 1,265,000,000.00 | - | - |
| Long-term loan (Credit line of Baht 2,000 million) | 1,465,000,000.00 | 1,585,000,000.00 | - | - |
| Long-term loan (Credit line of Baht 1,300 million) | 711,000,000.00 | 831,000,000.00 | - | - |
| Long-term loan (Credit line of Baht 145 million) | 72,500,000.00 | 101,500,000.00 | - | - |
| Long-term loan (Credit line of Baht 70 million) | - | 17,350,000.00 | - | - |
| Long-term loan (Credit line of Baht 90 million) | 31,500,000.00 | 49,500,000.00 | - | - |
| Long-term loan (Credit line of Baht 50 million) | 24,999,992.00 | 37,499,996.00 | - | - |
| Long-term loan (Credit line of Baht 91 million) | 59,150,000.00 | 77,350,000.00 | - | - |
| Long-term loan (Credit line of Baht 400 million) | 400,000,000.00 | - | 400,000,000.00 | - |
| Total | 5,033,289,997.03 | 5,659,339,997.03 | 1,524,140,005.03 | 1,695,140,001.03 |
| <u>Less</u> Current portion | (1,165,700,003.96) | (1,026,050,003.96) | (667,999,999.96) | (570,999,999.96) |
| Net | 3,867,589,993.07 | 4,633,289,993.07 | 856,140,005.07 | 1,124,140,001.07 |

Movement for the year ended December 31, 2024 and 2023 was as follows: -

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-------------------------|--|--------------------|--------------------------------------|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Beginning book value | 5,659,339,997.03 | 6,476,250,000.00 | 1,695,140,001.03 | 1,861,500,000.00 |
| Proceed during the year | 400,000,000.00 | 577,140,000.00 | 400,000,000.00 | 486,140,000.00 |
| Repaid during the year | (1,026,050,000.00) | (1,394,050,002.97) | (570,999,996.00) | (652,499,998.97) |
| Ending book value | 5,033,289,997.03 | 5,659,339,997.03 | 1,524,140,005.03 | 1,695,140,001.03 |

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

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|----------------------------------|--|------------------|--------------------------------------|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Within 1 year | 1,165,700,003.96 | 1,026,050,003.96 | 667,999,999.96 | 570,999,999.96 |
| Over 1 year but not over 5 years | 3,422,589,993.07 | 3,856,149,992.17 | 856,140,005.07 | 1,092,000,001.07 |
| Over 5 years | 445,000,000.00 | 777,140,000.90 | - | 32,140,000.00 |
| Total | 5,033,289,997.03 | 5,659,339,997.03 | 1,524,140,005.03 | 1,695,140,001.03 |

Long-term loans of the Group are bearing the floating interest rate as at December 31, 2024 and 2023, the interest rates are 4.90%-6.25% per annum and 3.00%-6.17% 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. | 500.00 | The first installment of principal must be made on the end of 4 th 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 st installment at Baht 5.00 million, for the 2 nd -19 th 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. |
| 2. | 600.00 | The first installment of principal must be made on the end of 25 th month period from the date of the initial drawdown (March 2022), and the following installments to be repaid quarterly, for 20 installments at Baht 30.00 million per installment. |
| 3. | 316.00 | The first installment of principal must be made on the end of 6 th month period from the date of the initial drawdown (June 2021), and the following installments to be repaid quarterly, for 20 installments, for the 1 st -15 th installments at Baht 3.00 million per installment, for the 16 th -19 th installments at Baht 67.00 million per installment and payment of all rest for the final installment. |
| 4. | 100.00 | The first installment of principal must be made on the end of 13 th month period from the date of drawdown (January 2022), and the following installments to be repaid quarterly, for 48 installments, for the 1 st -47 th installments at Baht 2.08 million per installment and payment of all rest for the final installment. |
| 5. | 125.00 | The first installment of principal must be made on the end of 6 th month period from the date of the initial drawdown (November, 2022), and the following installments to be repaid quarterly, for 25 installments, for the 1 st -24 th installments at Baht 5.00 million per installment and payment of all rest for the final installment. |
| 6. | 500.00 | The first installment of principal must be made on the end of 3 th 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 st -4 th installments at Baht 10.00 million per installment, for the 5 th -23 th installments at Baht 23.00 million per installment and payment of all rest for the final installment. |
| 7. | 2,200.00 | The first installment of principal must be made on the lower of the end of 24 th 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 32 installments, for the 1 st -4 th installments at Baht 110.00 million per installment, for the 5 th -8 th installments at Baht 35.00 million per installment, for the 9 th -12 th installments at Baht 45.00 million per installment, for the 13 th -16 th installments at Baht 55.00 million per installment, for the 17 th -20 th installments at Baht 65.00 million per installment, |

Credit facilityRepayment of principal

(Unit : Million Baht)

for the 21th-24th installments at Baht 75.00 million per installment, for the 25th-31st installments at Baht 82.50 million per installment and payment of all rest for the 32th installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period in the year 2020, the next installment payment starting from May 2021 for 3 installments at Baht 20.00 million per installment, for the next 4 installments at Baht 40.00 million per installment, for the next 4 installments at Baht 60.00 million per installment, for the next 4 installments at Baht 70.00 million per installment, for the next 4 installments at Baht 75.00 million per installment, for the next 4 installments at Baht 80.00 million per installment, for the next 3 installments at Baht 91.25 million per installment and payment of all rest for the final installment. However, the loan repayment conditions were revised on December 25, 2023. The 21st-24th installments at Baht 30.00 million per installment, for the 25th-28th installments at Baht 35.00 million per installment, for the 29th-32nd installments at Baht 45.00 million per installment, for the 33rd-36th installments at Baht 55.00 million per installment, for the 37th-40th installments at Baht 65.00 million per installment, for the 41st-43rd installments at Baht 85.00 million per installment, and payment of all rest for the final installment.

- | | | |
|----|----------|---|
| 8. | 2,000.00 | Principal is repayable quarterly commencing at the end of the month, The first installment of principal must March 31, 2021. By payable at the end of every month for 28 installments, for the 1 st -4 th installments at Baht 35.00 million per installment, for the 5 th -8 th installments at Baht 50.00 million per installment, for the 9 th -12 th installments at Baht 65.00 million per installment, for the 13 th -16 th installments at Baht 75.00 million per installment, for the 17 th -20 th installments at Baht 85.00 million per installment, for the 21 st -24 th installments at Baht 90.00 million per installment, for the 25 th -27 th installments at Baht 100 million per installment and payment of all rest for the 28 th installment. However, the loan repayment conditions were revised on August 25, 2020. There was a grace period for 1 year, the next installment payment starting from September 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 4 installments at Baht 90.00 million per installment and payment of all rest for the final installment. However, the loan repayment conditions were revised on December 25, 2023. The 11 st -15 th installments at Baht 30.00 million installment, for the 16 th -19 th installments at Baht 35.00 million installment, for the 20 th -23 rd installments at Baht 45.00 million installment, for the 24 th -31 st installments at Baht 50.00 million installment, for the 32 nd -35 th installments at Baht 75.00 million installment, for the 36 th -38 th installments at Baht 105.00 million installment, and payment of all rest for the final installment. |
| 9. | 1,300.00 | The first installment of principal must be made on the end of 6 th 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 st -4 th installments at Baht 19.50 million, for the 5 th -8 th installments at Baht 39.00 million, for the 9 th -12 th installments at Baht 58.50 million, for the 13 th -16 th installments at Baht 71.50 million, for the 17 th -21 th 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 |

Credit facilityRepayment of principal

(Unit : Million Baht)

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. However, the loan repayment conditions were revised on December 25, 2023. The 13rd-17th installments at Baht 30.00 million per installment, the 18th-21th installments at Baht 35.00 million per installment, the 22th-25th installments at Baht 40.00 million per installment, the 26th-32th installments at Baht 50.00 million per installment, and payment of all rest for the final installment.

- | | | |
|-----|--------|--|
| 10. | 145.00 | The first installment of principal must be made on the end of 12 th month period from the date of the initial drawdown (July 2022), and the following installments to be repaid quarterly, for 20 installments, for the 1 st -19 th installments at Baht 7.25 million per installment and payment of all rest for the final installment. |
| 11. | 70.00 | The first installment of principal must be made on the end of 3 rd month period from the date of the initial drawdown (October 2021), and the following installments to be repaid quarterly, for 12 installments, for the 1 st -11 th installments at Baht 5.85 million per installment and payment of all rest for the final installment. |
| 12. | 90.00 | The first installment of principal must be made on the end of 3 rd month period from the date of the initial drawdown (October 2021), and the following installments to be repaid quarterly, for 20 installments, for the 1 st -19 th installments at Baht 4.50 million per installment and payment of all rest for the final installment. |
| 13. | 50.00 | The first installment of principal must be made on the end of 13 th month period from the date of drawdown (January 2022), and the following installments to be repaid quarterly, for 48 installments, for the 1 st -47 th installments at Baht 1.04 million per installment and payment of all rest for the final installment. |
| 14. | 91.00 | The first installment of principal must be made on the end of 3 th 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 st -19 th installments at Baht 4.55 million per installment and payment of all rest for the final installment. |
| 15. | 400.00 | The first installment of principal must be made on the end of 3 th month period from the date of the initial drawdown (December, 2024), and the following installments to be repaid quarterly, for 16 installments, for the 1 st -8 th installments at Baht 15.00 million per installment, for the 9 th -15 th installments at Baht 35.00 million and payment of all rest for the final installment |
| 16. | 95.00 | The first installment of principal must be made on the end of 6 th month period from the date of the initial drawdown (As at December 31, 2024 had not withdrawing loans), and the following installments to be repaid quarterly, for 14 installments, for the 1 st -13 th installments at Baht 6.80 million per installment and payment of all rest for the final installment. |

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 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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Lease liabilities-related parties | 623,725,787.71 | 392,415,777.69 | 209,068,430.92 | 218,773,602.81 |
| Lease liabilities-other parties | 161,942,240.89 | 178,690,411.90 | 292,459.74 | 600,369.32 |
| Total lease liabilities | 785,668,028.60 | 571,106,189.59 | 209,360,890.66 | 219,373,972.13 |
| <u>Less</u> Current portion of lease liabilities | (85,426,886.49) | (58,388,008.71) | (10,374,990.90) | (10,040,081.47) |
| Net | 700,241,142.11 | 512,718,180.88 | 198,985,899.76 | 209,333,890.66 |

Changes in the lease are liabilities for the years ended December 31, 2024 and 2023 were as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-----------------|--------------------------------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Lease liabilities at the beginning of year | 571,106,189.59 | 511,506,858.33 | 219,373,972.13 | 229,012,607.63 |
| Increased during the year | 245,903,291.52 | 98,038,107.78 | - | - |
| Lease modification during the year | 29,764,751.64 | 9,350,501.13 | - | - |
| Decrease from lease termination | (4,561,307.35) | - | - | - |
| Repayment during the year | (56,544,896.80) | (47,789,277.65) | (10,013,081.47) | (9,638,635.50) |
| Lease liabilities at the end of year | 785,668,028.60 | 571,106,189.59 | 209,360,890.66 | 219,373,972.13 |

A maturity analysis of lease payment at December 31, 2024 and 2023 were as follows :-

(Unit : Baht)

| | <u>Consolidated financial statement</u> | | |
|----------------------------------|---|--------------------------|----------------|
| | <u>2024</u> | | |
| | <u>Lease</u> | <u>Deferred</u> | |
| | <u>liabilities</u> | <u>interest expenses</u> | <u>Net</u> |
| Within 1 year | 116,709,585.00 | (31,282,698.51) | 85,426,886.49 |
| Over 1 year but not over 5 years | 368,907,558.07 | (92,571,401.68) | 276,336,156.39 |
| Over 5 years | 508,999,840.00 | (85,094,854.28) | 423,904,985.72 |
| Total | 994,616,983.07 | (208,948,954.47) | 785,668,028.60 |

(Unit : Baht)

| | <u>Consolidated 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 | 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 |
| Total | 733,746,429.77 | (162,640,240.18) | 571,106,189.59 |

(Unit : Baht)

Separate financial statement2024

| | <u>Lease</u> | <u>Deferred</u> | |
|----------------------------------|--------------------|--------------------------|----------------|
| | <u>liabilities</u> | <u>interest expenses</u> | <u>Net</u> |
| Within 1 year | 18,191,880.00 | (7,816,889.10) | 10,374,990.90 |
| Over 1 year but not over 5 years | 71,579,520.00 | (27,173,659.66) | 44,405,860.34 |
| Over 5 years | 187,896,240.00 | (33,316,200.58) | 154,580,039.42 |
| Total | 277,667,640.00 | (68,306,749.34) | 209,360,890.66 |

(Unit : Baht)

Separate financial statement2023

| | <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 |

For the years ended December 31, 2024 and 2023, transactions related to leases were as follows :-

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---------------------------------------|--|---------------|--------------------------------------|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Finance cost relating to lease | 28,989,391.70 | 21,981,516.94 | 8,205,798.53 | 8,580,244.50 |
| Expenses relating to short-term lease | 51,875,604.19 | 49,488,220.31 | - | - |
| Cash outflow for lease | 85,534,288.50 | 69,770,794.59 | 18,218,880.00 | 18,218,880.00 |

19. Provision for employee benefits

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-------------|--|----------------|--------------------------------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Current | 26,273,003.67 | 45,373,952.01 | 11,515,403.33 | 43,748,185.34 |
| Non-Current | 453,918,389.55 | 412,953,602.14 | 248,113,430.33 | 180,746,751.67 |
| Total | 480,191,393.22 | 458,327,554.15 | 259,628,833.66 | 224,494,937.01 |

Changes in the present value of the employee benefit obligations for the years ended December 31, 2024 and 2023 were as follows: -

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|----------------|--------------------------------------|----------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Employee benefit obligations at the beginning of the year | 458,327,554.15 | 426,929,482.06 | 224,494,937.01 | 214,670,735.67 |
| Current service cost | 31,483,459.07 | 30,822,725.06 | 13,876,892.98 | 12,700,808.00 |
| Interest cost | 8,518,162.02 | 7,771,104.02 | 4,168,934.02 | 3,511,590.00 |
| Employee benefit transfer cost | - | - | 26,580,803.33 | - |
| Less Repayment for the year | (18,137,782.02) | (7,195,756.99) | (9,492,733.68) | (6,388,196.66) |
| Employee benefit obligations at the end of the year | 480,191,393.22 | 458,327,554.15 | 259,628,833.66 | 224,494,937.01 |

Expenses recognized in statements of comprehensive income are shown collectively for the years ended December 31, 2024 and 2023 are as follows: -

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-------------------------------------|--|---------------|--------------------------------------|---------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| <u>Recognized in cost of assets</u> | | | | |
| Property, plant and equipment | - | 34,056.94 | - | - |
| <u>Recognized in profit or loss</u> | | | | |
| Cost of sales | 32,912,434.88 | 31,418,100.84 | 14,192,628.00 | 12,897,650.00 |
| Administrative expenses | 5,056,379.04 | 4,743,967.67 | 2,739,537.00 | 2,201,086.00 |
| Management benefit expenses | 2,032,807.17 | 2,397,703.63 | 1,113,662.00 | 1,113,662.00 |
| Total | 40,001,621.09 | 38,559,772.14 | 18,045,827.00 | 16,212,398.00 |

Principal actuarial assumptions as at December 31, 2024 and 2023 were 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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Discount increase rate (1.0% movement) | (36,582,686.00) | (36,104,801.00) | (14,273,861.00) | (14,671,528.00) |
| Discount decrease rate (1.0% movement) | 42,330,604.00 | 41,791,180.00 | 16,262,547.00 | 16,707,814.00 |
| Rate of salary growth increase (1.0% movement) | 54,181,213.00 | 48,747,722.00 | 21,912,562.00 | 20,143,805.00 |
| Rate of salary growth decrease (1.0% movement) | (47,074,633.00) | (42,554,560.00) | (19,366,354.00) | (17,880,221.00) |
| Employee turnover increase rate (20.0% movement) | (18,420,454.00) | (16,099,005.00) | (6,710,236.00) | (5,941,130.00) |
| Employee turnover decrease rate (20.0% movement) | 20,833,571.00 | 18,125,663.00 | 7,544,198.00 | 6,650,627.00 |

20. Share capital

The movement of share capital for the years ended on December 31, 2024 and 2023 were as follows: -

| | <u>Consolidated and separate financial statements</u> | | | |
|---|---|----------------------|------------------------|----------------------|
| | <u>2024</u> | | <u>2023</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 |
| Increase (decrease) 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 |
| Increase (decrease) 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, 2024 and 2023, in the consolidated financial statements, the debt to equity ratio is 1.42 : 1 and 1.53 : 1 respectively, and separate financial statements debt to equity ratio is 0.48 : 1 and 0.56 : 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 2023 | The Annual 2024 General Meeting of shareholders' held on April 24, 2024 | 34,703 | 0.02 | May 17, 2024 |
| Payment announced from the interim profit of the year 2024 | The Annual General Meeting of Board of Directors held on August 8, 2024 | 86,757 <hr/> 121,460 | 0.05 | September 5, 2024 |
| 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 |

23. Expenses by nature

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

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|-------------------|--------------------------------------|------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Change in finished goods and work in process | 351,244,997.32 | 358,662,595.65 | 54,429,891.96 | 145,233,012.99 |
| Raw material and supplied used | 6,460,301,464.32 | 6,083,523,314.82 | 2,377,551,638.83 | 2,619,743,920.20 |
| Loss on diminution in value of inventories (reversal) | (2,297,704.28) | 64,065,871.67 | 5,999,130.82 | (3,282,052.57) |
| Loss on diminution in value of non-movement inventories (reversal) | 452,144.08 | 322,845.40 | 452,144.08 | 322,845.40 |
| Cost of testing | - | 21,785,599.27 | - | 21,785,599.27 |
| Energy cost | 1,589,120,811.15 | 1,911,908,983.39 | 435,938,501.65 | 576,658,651.91 |
| Management benefit expenses | 97,767,609.52 | 88,404,526.80 | 41,373,257.00 | 32,436,676.67 |
| Employee related expenses | 1,432,726,530.71 | 1,445,547,588.21 | 584,181,763.17 | 580,323,175.02 |
| Depreciation and amortization expenses | 1,110,100,798.30 | 1,158,684,714.64 | 249,105,719.62 | 245,901,372.36 |
| Transportation expenses | 844,471,596.40 | 938,979,017.71 | 272,885,313.04 | 336,962,272.73 |
| Repair expenses | 853,897,197.92 | 725,881,671.81 | 203,915,195.14 | 184,837,735.10 |
| Finance cost | 443,096,962.44 | 422,449,262.46 | 141,378,547.54 | 130,627,279.58 |
| Other expenses | 470,732,125.79 | 909,851,249.20 | 217,719,332.49 | 283,840,040.79 |
| Total | 13,651,614,533.67 | 14,130,067,241.03 | 4,584,930,435.34 | 5,155,390,529.45 |

24. Income tax expenses

| | (Unit : Baht) | | | |
|--|--|-----------------|--------------------------------------|----------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>For the years ended December 31,</u> | | | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| <u>Tax revenues recognized in profit or loss</u> | | | | |
| Current tax expenses | 84,430,410.66 | 86,944,423.53 | 62,186,907.58 | 71,871,691.55 |
| Deferred tax expenses (Note 14) | | | | |
| Movements in temporary differences | (6,647,348.39) | (18,090,183.77) | (6,633,862.41) | (1,755,626.62) |
| Income tax expenses | 77,783,062.27 | 68,854,239.76 | 55,553,045.17 | 70,116,064.93 |

Reconciliation between income tax expenses and the product of accounting profit (loss) multiplied by the applicable tax rates for the years ended December 31, 2024 and 2023 as follows: -

(Unit : Baht)

| | <u>Separate financial statements</u> | | | | | |
|---|--------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|
| | 2024 | | Total | 2023 | | Total |
| Accounting profit (loss) before tax | 31,305,258.39 | 473,627,574.00 | 504,932,832.39 | (2,632,806.66) | 498,556,613.94 | 495,923,807.28 |
| Applicable tax rate | 0% | 20% | | 0% | 20% | |
| Accounting profit before tax multiplied by applicable tax rate | - | 94,725,514.80 | 94,725,514.80 | - | 99,711,322.79 | 99,711,322.79 |
| 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 | - | (33,743,714.88) | (33,743,714.88) | - | (28,827,998.65) | (28,827,998.65) |
| Employee benefit | - | 916,154.73 | 916,154.73 | - | 936,623.38 | 936,623.38 |
| Others | - | 288,952.93 | 288,952.93 | - | 51,744.03 | 51,744.03 |
| Total | - | 62,186,907.58 | 62,186,907.58 | - | 71,871,691.55 | 71,871,691.55 |
| Changes in temporary differences | - | (6,633,862.41) | (6,633,862.41) | - | (1,755,626.62) | (1,755,626.62) |
| Income tax revenues reported in statements of comprehensive income | - | 55,553,045.17 | 55,553,045.17 | - | 70,116,064.93 | 70,116,064.93 |

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>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Profit for the year (Unit : Baht) | 230,201,933.24 | 26,658,755.52 | 449,379,787.22 | 425,807,742.35 |
| 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) | 0.13 | 0.02 | 0.26 | 0.25 |

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, 2024 and 2023 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 | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Net sales-domestic | 2,895.01 | 2,876.83 | 2,304.21 | 2,255.67 | - | 212.23 | 576.00 | 573.89 | (3,540.26) | (3,638.94) | 2,234.96 | 2,279.68 |
| Net sales-export | 11,304.71 | 11,868.51 | - | - | - | - | - | - | - | - | 11,304.71 | 11,868.51 |
| Total | 14,199.72 | 14,745.34 | 2,304.21 | 2,255.67 | - | 212.23 | 576.00 | 573.89 | (3,540.26) | (3,638.94) | 13,539.67 | 14,148.19 |
| Profit by segment | 2,050.65 | 2,118.70 | 284.29 | 250.59 | - | 3.80 | 211.16 | 249.98 | (286.57) | (297.14) | 2,259.53 | 2,325.93 |
| Other income | | | | | | | | | | | 426.70 | 97.48 |
| Selling and administrative expense | | | | | | | | | | | (1,933.24) | (1,887.17) |
| Profit from operating activities | | | | | | | | | | | 752.99 | 536.24 |
| Finance cost | | | | | | | | | | | (443.10) | (422.45) |
| Profit before income tax | | | | | | | | | | | 309.89 | 113.79 |
| Income tax revenues | | | | | | | | | | | (77.78) | (68.85) |
| Comprehensive income for the period | | | | | | | | | | | 232.11 | 44.94 |
| <u>As at December 31,</u> | | | | | | | | | | | | |
| Property, plant and equipment | | | | | | | | | | | 11,118.55 | 12,030.87 |
| Depreciation | | | | | | | | | | | 1,034.09 | 1,103.85 |
| Total assets | | | | | | | | | | | 17,995.48 | 18,570.29 |

For the years ended December 31, 2024 and 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 1,963.06 million and Baht 1,403.48 million respectively.

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 current 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, 2024 and 2023, 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 | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (Thousand) | (Thousand) | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| USD | 18,009 | 15,451 | 7,487 | 6,443 | 33.95 | 34.18 |
| EUR | - | - | 578 | 5,353 | 35.78 | 38.40 |

| Separate financial statements | | | | | | |
|-------------------------------|------------------|------------|-----------------------|------------|------------------------------------|-------|
| Foreign currency | Financial assets | | Financial liabilities | | Average exchange rate | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (Thousand) | (Thousand) | (Thousand) | (Thousand) | (Baht per 1 foreign currency unit) | |
| USD | 4,694 | 3,902 | 1,095 | 558 | 33.95 | 34.18 |
| EUR | - | - | 28 | 50 | 35.78 | 38.40 |

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, 2024 and 2023, are as follows :-

| Currency | Change in FX rate | | Effect on profit (loss) before tax increase (decrease) | | | |
|----------|----------------------|------|--|-----------------|----------------------|-----------------|
| | | | Consolidated | | Separate | |
| | financial statements | | financial statements | | financial statements | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | % | % | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) |
| USD | +3.0 | +3.0 | 10,566 | 9,099 | 2,829 | 3,400 |
| | -3.0 | -3.0 | (10,566) | (9,099) | (2,829) | (3,400) |
| EUR | +3.0 | +3.0 | (620) | (6,166) | (30) | (63) |
| | -3.0 | -3.0 | 620 | 6,166 | 30 | 63 |

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, 2024 and 2023, 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

2024

| | 2024 | | | | | | Effective interest rate (% per annum) |
|-------------------------------------|---------------------|--------------------|--------------|------------------------|------------------------|------------------|--|
| | Fixed interest rate | | | Floating interest rate | Non - interest bearing | Total | |
| | Within 1 year | 1 years to 5 years | Over 5 years | | | | |
| <u>Financial assets</u> | | | | | | | |
| Cash and cash equivalents | - | - | - | 1,217,530,898.14 | 25,959,205.82 | 1,243,490,103.96 | 0.15-0.50 |
| Trade and other current receivables | - | - | - | - | 1,058,322,718.94 | 1,058,322,718.94 | - |
| Revenue Department receivable | - | - | - | - | 148,014,204.81 | 148,014,204.81 | - |
| | - | - | - | 1,217,530,898.14 | 1,232,296,129.57 | 2,449,827,027.71 | |

Financial liabilities

| | | | | | | | |
|--|------------------|----------------|----------------|------------------|------------------|------------------|-----------|
| Short-term loans from financial institutions | 2,470,251,514.60 | - | - | - | - | 2,470,251,514.60 | 3.45-4.74 |
| Trade and other current payables | - | - | - | - | 1,020,700,481.78 | 1,020,700,481.78 | - |
| Long-term loans from financial institutions | 84,999,999.96 | 365,000,005.07 | - | 4,583,289,992.00 | - | 5,033,289,997.03 | 4.90-6.25 |
| Lease liabilities | 85,426,886.49 | 276,336,156.37 | 423,904,985.74 | - | - | 785,668,028.60 | 3.50-4.50 |
| | 2,640,678,401.05 | 641,336,161.44 | 423,904,985.74 | 4,583,289,992.00 | 1,020,700,481.78 | 9,309,910,022.01 | |

(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 | | | | |
| <u>Financial assets</u> | | | | | | | |
| Cash and cash equivalents | - | - | - | 594,144,540.49 | 40,924,770.45 | 635,069,310.94 | 0.15-0.60 |
| Trade and other current receivables | - | - | - | - | 977,799,536.50 | 977,799,536.50 | - |
| 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 | 1,335,583,757.65 | 2,150,728,298.14 | |

Financial liabilities

| | | | | | | | |
|--|------------------|----------------|----------------|------------------|------------------|-------------------|-----------|
| Short-term loans from financial institutions | 2,742,333,725.07 | - | - | - | - | 2,742,333,725.07 | 3.33-5.25 |
| Trade and other current payables | - | - | - | - | 1,100,877,503.76 | 1,100,877,503.76 | - |
| 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 | 1,100,877,503.76 | 10,073,657,415.45 | |

(Unit : Baht)

Separate financial statement

2024

| | Fixed interest rate | | | Floating interest rate | Non - interest bearing | Total | Effective interest rate | |
|--|---------------------|--------------------|----------------|---------------------------|---------------------------|------------------|----------------------------|---------------|
| | Within | | Over 5 years | | | | | |
| | 1 year | 1 years to 5 years | | | | | | |
| | | | | | | | | (% per annum) |
| <u>Financial assets</u> | | | | | | | | |
| Cash and cash equivalents | - | - | - | 456,259,667.73 | 13,404,017.57 | 469,663,685.30 | 0.15-0.60 | |
| Trade and other current receivables | - | - | - | - | 559,149,132.81 | 559,149,132.81 | - | |
| Revenue Department receivable | - | - | - | - | 49,761,026.47 | 49,761,026.47 | - | |
| | - | - | - | 456,259,667.73 | 622,314,176.85 | 1,078,573,844.58 | | |
| <u>Financial liabilities</u> | | | | | | | | |
| Short-term loans from financial institutions | 1,063,821,151.16 | - | - | - | - | 1,063,821,151.16 | 3.95-4.74 | |
| Trade and other current payables | - | - | - | - | 477,313,913.06 | 477,313,913.06 | - | |
| Long-term loans from financial institutions | 84,999,999.96 | 365,000,005.07 | - | 1,074,140,000.00 | - | 1,524,140,005.03 | 4.90-6.25 | |
| Short-term loans from related parties | 70,000,000.00 | - | - | - | - | 70,000,000.00 | 3.50 | |
| Lease liabilities | 10,374,990.90 | 44,405,860.33 | 154,580,039.43 | - | - | 209,360,890.66 | 3.71 | |
| | 1,229,196,142.02 | 409,405,865.40 | 154,580,039.43 | 1,074,140,000.00 | 477,313,913.06 | 3,344,635,959.91 | | |

(Unit : Baht)

Separate financial statement

2023

| | Fixed interest rate | | | Floating interest rate | Non - interest bearing | Total | Effective interest rate |
|--|---------------------|--------------------|----------------|---------------------------|---------------------------|------------------|----------------------------|
| | Within | | Over 5 years | | | | |
| | 1 year | 1 years to 5 years | | | | | |
| (% per annum) | | | | | | | |
| <u>Financial assets</u> | | | | | | | |
| Cash and cash equivalents | - | - | - | 327,228,063.18 | 10,951,447.71 | 338,179,510.89 | 0.15-0.60 |
| Trade and other current receivables | - | - | - | - | 556,521,224.31 | 556,521,224.31 | - |
| 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 to related parties | 20,000,000.00 | - | - | - | - | 20,000,000.00 | 3.50 |
| | 131,300,000.00 | - | - | 327,228,063.18 | 719,176,829.87 | 1,177,704,893.05 | |
| <u>Financial liabilities</u> | | | | | | | |
| Short-term loans from financial institutions | 1,139,000,000.00 | - | - | - | - | 1,139,000,000.00 | 3.70-5.25 |
| Trade and other current payables | - | - | - | - | 617,089,207.23 | 617,089,207.23 | - |
| Long-term loans from financial institutions | 24,999,999.96 | 50,000,001.07 | - | 1,620,140,000.00 | - | 1,695,140,001.03 | 3.00-6.17 |
| 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 | 617,089,207.23 | 3,670,603,180.39 | |

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 December 31, 2024 and 2023, with all other variables held constant.

| Increase/Decrease | | Consolidated financial statements | | Separate financial statements | |
|-------------------|-------|------------------------------------|-----------------|------------------------------------|-----------------|
| | | Effect on profit (loss) before tax | | Effect on profit (loss) before tax | |
| 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| % | % | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) | (Thousand Baht) |
| +0.25 | +0.25 | (12,583) | (14,148) | (3,810) | (4,238) |
| -0.25 | -0.25 | 12,583 | 14,148 | 3,810 | 4,238 |

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, 2024 and 2023, based on contractual undiscounted cash flows :-

(Unit : Baht)

| | 2024 | | | | |
|--|----------------------------------|------------------|------------------|----------------|------------------|
| | Consolidated financial statement | | | | |
| | On demand | Less than 1 year | 1 - 5 years | Over 5 years | Total |
| Non-derivatives | | | | | |
| Short-term loans from financial institutions | - | 2,470,251,514.60 | - | - | 2,470,251,514.60 |
| Trade and other current payables | - | 1,020,700,481.78 | - | - | 1,020,700,481.78 |
| Long-term loans from financial institutions | - | 1,165,700,003.96 | 3,422,589,993.07 | 445,000,000.00 | 5,033,289,997.03 |
| Lease liabilities | - | 85,426,886.49 | 276,336,156.37 | 423,904,985.74 | 785,668,028.60 |
| Total non-derivatives | - | 4,742,078,886.83 | 3,698,926,149.44 | 868,904,985.74 | 9,309,910,022.01 |

(Unit : Baht)

| | 2023 | | | | |
|--|----------------------------------|------------------|------------------|------------------|-------------------|
| | Consolidated financial statement | | | | |
| | On demand | Less than 1 year | 1 - 5 years | Over 5 years | Total |
| Non-derivatives | | | | | |
| Short-term loans from financial institutions | - | 2,742,333,725.07 | - | - | 2,742,333,725.07 |
| Trade and other current payables | - | 1,100,877,503.76 | - | - | 1,100,877,503.76 |
| 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 |
| Total non-derivatives | - | 4,927,649,241.50 | 4,071,032,296.74 | 1,074,975,877.21 | 10,073,657,415.45 |

(Unit : Baht)

| | 2024 | | | | |
|--|-------------------------------|------------------|----------------|----------------|------------------|
| | Separate financial statements | | | | |
| | On demand | Less than 1 year | 1 - 5 years | Over 5 years | Total |
| Non-derivatives | | | | | |
| Short-term loans from financial institutions | - | 1,063,821,151.16 | - | - | 1,063,821,151.16 |
| Trade and other current payables | - | 477,313,913.06 | - | - | 477,313,913.06 |
| Long-term loans from financial institutions | - | 667,999,999.96 | 856,140,005.07 | - | 1,524,140,005.03 |
| Short-term loans from related parties | 70,000,000.00 | - | - | - | 70,000,000.00 |
| Lease liabilities | - | 10,374,990.90 | 44,405,860.34 | 154,580,039.43 | 209,360,890.67 |
| Total non-derivatives | 70,000,000.00 | 2,219,510,055.08 | 900,545,865.41 | 154,580,039.43 | 3,344,635,959.92 |

(Unit : Baht)

| | 2023 | | | | |
|--|-------------------------------|------------------|------------------|----------------|------------------|
| | Separate financial statements | | | | |
| | On demand | Less than 1 year | 1 - 5 years | Over 5 years | Total |
| Non-derivatives | | | | | |
| Short-term loans from financial institutions | - | 1,139,000,000.00 | - | - | 1,139,000,000.00 |
| Trade and other current payables | - | 617,089,207.23 | - | - | 617,089,207.23 |
| 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 |
| Total non-derivatives | - | 2,337,129,288.66 | 1,135,009,341.51 | 198,464,550.22 | 3,670,603,180.39 |

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)

| Consolidated financial statement | | | | | |
|---|------------------|------------------|------------------|------------------|----------------------|
| Financial liabilities | 2024 | | 2023 | | Fair value hierarchy |
| | Carrying amount | Fair value | Carrying amount | Fair value | |
| Long-term loans from financial institutions | 5,033,289,997.03 | 5,330,527,989.63 | 5,659,339,997.03 | 6,051,095,151.89 | Level 2 |

(Unit : Baht)

| Separate financial statement | | | | | |
|---|------------------|------------------|------------------|------------------|----------------------|
| Financial liabilities | 2024 | | 2023 | | Fair value hierarchy |
| | Carrying amount | Fair value | Carrying amount | Fair value | |
| Long-term loans from financial institutions | 1,524,140,005.03 | 1,599,145,303.94 | 1,695,140,001.13 | 1,772,708,468.35 | Level 2 |

Long-term loans from financial institutions are determined by using the discounted cash flow method. The contractual future cash outflows are discounted at the current market interest rate for similar financial instruments enhanced by the Group credit risk.

28. Obligation and contingent liabilities

Apart from liabilities reflected in the statement of financial position as at December 31, 2024 and 2023, the Group held other obligations as follows :-

28.1 Obligation of credit lines for loans from financial institutions

| <u>Consolidated financial statements</u> | | | | | | | |
|--|------------------|--------------|-----------------|------------------|--------------|-----------------|------------------|
| | <u>Currency</u> | <u>2024</u> | | | <u>2023</u> | | |
| | (Unit : Million) | <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 | 260.00 | 124.76 | 135.24 | 260.00 | 131.78 | 128.22 |
| Letters of credit and trust receipt | Baht | 725.00 | 155.34 | 569.66 | 725.00 | 473.06 | 251.94 |
| 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 | 235.00 | - | 235.00 |
| Short-term loans | Baht | 3,850.00 | 2,087.00 | 1,763.00 | 3,850.00 | 2,214.00 | 1,636.00 |
| Long-term loans | Baht | 595.00 | 486.14 | 108.86 | 595.00 | 486.14 | 108.86 |
| Forward foreign exchange contract | Baht | 1,954.00 | - | 1,954.00 | 1,954.00 | - | 1,954.00 |
| Forward foreign exchange contract | USD | 19.00 | - | 19.00 | 19.00 | - | 19.00 |
| Packing credit | Baht | 90.00 | - | 90.00 | 90.00 | - | 90.00 |
| <u>The Group's credit line</u> | | | | | | | |
| Letters of credit and trust receipt and packing credit | Baht | 575.00 | 243.33 | 331.67 | 575.00 | 109.42 | 465.58 |

| <u>Separate financial statements</u> | | | | | | | |
|--|------------------|--------------|-----------------|------------------|--------------|-----------------|------------------|
| | <u>Currency</u> | <u>2024</u> | | | <u>2023</u> | | |
| | (Unit : Million) | <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 | 49.48 | 35.52 | 85.00 | 56.49 | 28.51 |
| 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 | 1,052.00 | 708.00 | 1,760.00 | 1,139.00 | 621.00 |
| Long-term loans | Baht | 500.00 | 486.14 | 13.86 | 500.00 | 486.14 | 13.86 |
| 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 | 12.38 | 562.62 | 575.00 | 16.90 | 558.10 |

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>Consolidated financial statements</u> | | | | | | |
|--|--------------------|--------------------|-------------------------------|--------------------|--------------------|-------------------------------|
| <u>2024</u> | | | | <u>2023</u> | | |
| <u>Currency</u> | <u>Contractual</u> | <u>Outstanding</u> | | <u>Contractual</u> | <u>Outstanding</u> | |
| (Unit : Million) | <u>amount</u> | <u>Paid</u> | <u>contractual obligation</u> | <u>amount</u> | <u>Paid</u> | <u>contractual obligation</u> |
| Baht | 15.76 | 12.67 | 3.09 | 70.91 | 61.23 | 9.68 |
| USD | 0.19 | 0.18 | 0.01 | - | - | - |

| <u>Separate financial statements</u> | | | | | | |
|--------------------------------------|--------------------|--------------------|-------------------------------|--------------------|--------------------|-------------------------------|
| <u>2024</u> | | | | <u>2023</u> | | |
| <u>Currency</u> | <u>Contractual</u> | <u>Outstanding</u> | | <u>Contractual</u> | <u>Outstanding</u> | |
| (Unit : Million) | <u>amount</u> | <u>Paid</u> | <u>contractual obligation</u> | <u>amount</u> | <u>Paid</u> | <u>contractual obligation</u> |
| Baht | 14.77 | 12.67 | 2.10 | 63.57 | 60.25 | 3.32 |
| USD | 0.19 | 0.18 | 0.01 | - | - | - |

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 |
| 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 |
| 67-2094-2-04-1-0 | Sep. 27, 2024 | Categ. 1.2.9 manufacture of products or package from agricultural by-products or waste or product from agricultural by-product from raw materials derived from by-product or scraps or agricultural waste | Sep. 27, 2024 | Sep. 26, 2027 |

The subsidiaries

| <u>Certificate No.</u> | <u>Date</u> | <u>Category of Promoted Business</u> | <u>Date of First Income</u> | <u>Termination Date</u> |
|------------------------|---------------|--|-----------------------------|-------------------------|
| 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 were as follows: -

(Unit : Baht)

| | <u>For the year ended December 31, 2024</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 | 2,194,805,779.37 | 2,534,687,291.02 | 4,729,493,070.39 |
| Cost of sales | (1,828,649,523.36) | (2,044,952,378.56) | (3,873,601,901.92) |
| Gross profit | 366,156,256.01 | 489,734,912.46 | 855,891,168.47 |
| Dividend income from subsidiaries | - | 168,718,574.40 | 168,718,574.40 |
| Gain from exchange rate | 6,673,758.38 | 5,791,258.26 | 12,465,016.64 |
| Other income | 6,336,944.27 | 172,849,662.03 | 179,186,606.30 |
| Selling expenses and distribution expenses | (182,638,835.63) | (144,377,381.56) | (327,016,217.19) |
| Administrative expenses | (102,934,924.47) | (139,998,844.22) | (242,933,768.69) |
| Profit from operating activities | 93,593,198.56 | 552,718,181.37 | 646,311,379.93 |
| Finance cost | (62,287,940.17) | (79,090,607.37) | (141,378,547.54) |
| Profit before income tax | 31,305,258.39 | 473,627,574.00 | 504,932,832.39 |
| Income tax expenses | - | (55,553,045.17) | (55,553,045.17) |
| Profit for the year | 31,305,258.39 | 418,074,528.83 | 449,379,787.22 |

(Unit : Baht)

For the year ended December 31, 2023

| | Activities with Investment | Activities without Investment | |
|--|-------------------------------|----------------------------------|--------------------|
| | Promotional benefits | Promotional benefits | Total |
| Revenue from sales | 2,265,720,828.06 | 3,167,915,339.95 | 5,433,636,168.01 |
| 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 |

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. The Reclassified

Some items in the consolidated and separate statements of financial positions as at December 31, 2023 have been reclassified in line with the presentation of the consolidated there was no impact to profit and loss for the period and the shareholders' equity as reported which can be summarise as following.

(Unit : Baht)

| | <u>Consolidated financial statements</u> | | |
|--|--|-------------------------------------|-----------------------|
| | Before reclassified | Reclassified Increase (decrease) | After reclassified |
| <u>Statement of financial position as at December 31, 2023</u> | | | |
| Trade and other current receivables | 980,684,849.17 | (2,885,312.67) | 977,799,536.50 |
| Current tax assets | - | 2,475,154.12 | 2,475,154.12 |
| Other non-current assets | 15,677,938.58 | 2,598,171.27 | 18,276,109.85 |
| Trade and other current payables | 1,098,689,491.04 | 2,188,012.72 | 1,100,877,503.76 |
| Current provisions for employee benefits | - | 45,373,952.01 | 45,373,952.01 |
| Non-current provisions for employee benefits | 458,327,554.15 | (45,373,952.01) | 412,953,602.14 |

(Unit : Baht)

| | <u>Separate financial statements</u> | | |
|--|--------------------------------------|----------------------------|---------------------|
| | <u>Before</u> | <u>Reclassified</u> | <u>After</u> |
| | <u>reclassified</u> | <u>Increase (decrease)</u> | <u>reclassified</u> |
| <u>Statement of financial position as at December 31, 2023</u> | | | |
| Trade and other current receivables | 556,522,044.31 | (820.00) | 556,521,224.31 |
| Current tax assets | - | 1,459,084.59 | 1,459,084.59 |
| Other non-current assets | 9,342,600.00 | 752,325.33 | 10,094,925.33 |
| Trade and other current payables | 614,878,617.31 | 2,210,589.92 | 617,089,207.23 |
| Current provisions for employee benefits | - | 43,748,185.34 | 43,748,185.34 |
| Non-current provisions for employee benefits | 224,494,937.01 | (43,748,185.34) | 180,746,751.67 |

31. Approval of financial statements

These consolidated and separate financial statements were authorized for issue by the Company's authorized director on February 24, 2025.



4

**Certification of
Information**

Part 4

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

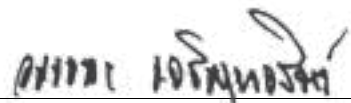

The Company has reviewed the information on this 56-1 One Report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

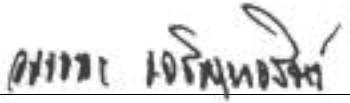
(1) The financial statements and financial information summarized in this annual registration statement /annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;

(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and submitted the information on the internal control assessment as at 31 December 2024 available to the auditor and the Audit Committee, which covers deficiencies, significant changes to the internal control system, and wrongful acts that may affect the preparation of financial report of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Mr. Wanthana Jaroennawarat to sign on every page of the documents, and the absence of the authorized signature of Mr. Wanthana Jaroennawarat on any document shall be deemed that such unsigned document has not been certified by the Company.

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

| Name - Surname | | Position | Signature |
|-----------------|----------------------------|-------------------|--|
| <u>Attorney</u> | Mr. Wanthana Jaroennawarat | 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) | 72 |
| Position | <ul style="list-style-type: none"> • Chairman of the Board of Directors • Authorized Director |
| Date of appointment as a Director | 1 November 1994 |
| Education | <ul style="list-style-type: none"> • Diploma mechanical, Fachhochschule Dortmund, Germany |
| Director Training Program | <ul style="list-style-type: none"> • DAP/2004, Thai Institution of Directors Association (IOD) |
| Number of shares held in the company | None |
| Shareholding (%) | None |
| Family Relationship between Executives | <ul style="list-style-type: none"> • Father of Mr.Sittiwat Sahawat • Uncle of Mr.Wanthana Jaroennawarat • Uncle of Mr.Patta Sahawat • Uncle of Ms.Phattra Sahawat • Uncle of Mr.Somprasong Sahawat |

Working Experience in the last 5 years

| <u>Period</u> | <u>Position</u> | <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. Mr. Seubtrakul Soonthornthum

| | | |
|--|--|--------------------------------|
| Age (year) | 82 | |
| Position | <ul style="list-style-type: none">• Vice Chairman• Director• Independent Director | |
| Date of appointment as a Director | 1 November 1994 | |
| Education | <ul style="list-style-type: none">• MBIM, Hon Dlitt, Curtin University• PMD, Harvard University, USA. | |
| Director Training Program | <ul style="list-style-type: none">• DAP/2004, Thai Institute of Directors Association (IOD) | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</u> |
| 2020 - Present | Vice Chairman | Loxley PCL. |
| 2017 - 2020 | Vice Chairman of the Executive Board | Loxley PCL. |
| 2007 - 2017 | Senior Executive Vice President | Loxley PCL. |
| 1993 - Present | Director | Loxley PCL. |
| 2016 - Present | Independent Director | Phatra Leasing PCL. |
| | Chairman of the Audit Committee | |
| 2021 - Present | Director, Risk Oversight Committee, Nomination & Compensation Committee | UOB BANK PCL. |
| 2004 - 2021 | Independent Director | UOB BANK PCL. |
| 2000 - Present | Chairman | Muang Thai Real Estate PCL. |
| 2005 - Present | Vice Chairman | Vanachai Group PCL. |
| | Independent Director | |
| 2002 - 2005 | Independent Director | Vanachai Group PCL. |
| | Audit Committee | |
| 1994 - Present | Independent Director | Vanachai Group PCL. |
| 2021 - Present | Chairman of Advisory Council of the 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 | |

3. Ms. Yupaporn Boongate

| | | |
|--|--|---|
| Age (year) | 70 | |
| Position | <ul style="list-style-type: none">• Vice Chairman• Director• Authorized Director | |
| Date of appointment as a Director | 4 January 1995 | |
| Education | <ul style="list-style-type: none">• Maetee Chuhawan College | |
| Director Training Program | <ul style="list-style-type: none">• DAP/2005, Thai Institute of Director Association (IOD) | |
| Number of shares held in the company | 36,000,000 shares | |
| Shareholding (%) | 2.075% of Paid-up capital | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</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 | |

4. Mr. Kraithip Krairiksh

| | | |
|--|---|--|
| Age (year) | 70 | |
| Position | <ul style="list-style-type: none">• Director• Independent Director• Chairman of the Audit Committee | |
| Date of appointment as a Director | 12 December 2008 | |
| Education | <ul style="list-style-type: none">• Master of Economics, Tufts University, USA.• Defense Joint State-Private, Class16 | |
| Director Training Program | <ul style="list-style-type: none">• CGI/2015, Thai Institute of Directors Association (IOD)• DAP/2005, Thai Institute of Directors Association (IOD) | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</u> |
| 8 Aug. 2024 -Present | Chairman of the Board of Directors | Major Cineplex Group PCL. |
| 2017 - Present | Independent Director, Audit Committee Chairman of the Nomination and Remuneration 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. |
| 7 Nov. 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 Soontorn Saikwan

| | | |
|--|--|-----------------------|
| Age (year) | 80 | |
| Position | <ul style="list-style-type: none">• Director• Independent Director• Audit Committee | |
| Date of appointment as a Director | 19 April 2005 | |
| Education | <ul style="list-style-type: none">• MA - Political Science, Ramkhumhaeng University• (MFM, MIA, MIR, MFR)/2013, ACP/2013, Thai Institution of Directors Association (IOD) | |
| Director Training Program | <ul style="list-style-type: none">• DAP/2005, Thai Institution of Directors Association (IOD) | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</u> |
| 2013 - Present | Vice Chairman | Millcon Steel PCL. |
| | Independent Director | |
| | Audit Committee | |
| 2012 - 22 Apr. 2022 | Chairman of the Board of Directors | PTG Energy PCL. |
| | Independent Director | |
| 7 Nov. 2023 - Present | Audit Committee | Vanachai Group PCL. |
| 2005 - Present | Independent Director | Vanachai Group PCL. |
| Criminal - Free Track record for the past 10 years | None | |

6. Police General Visanu Prasattongosoth

| | | |
|--|---|---------------------------|
| Age (year) | 62 | |
| Position | <ul style="list-style-type: none">• Director• Independent Director• Audit Committee | |
| Date of appointment as a Director | 7 November 2023 | |
| Education | <ul style="list-style-type: none">• Master of Business Administration, University of San Francisco, USA• Master of Political Sciences, Sukhothai Thammathirat Open University• Bachelor of Arts (Economics), Vanderbilt University, USA• Certificate, National Defence Course (NDC53), The National Defence College• Capital Market Academy Executive Program (Class No.2), Capital Market Academy, SET | |
| Director Training Program | <ul style="list-style-type: none">• CGI 3/2015, Thai Institute of Directors Association (IOD)• AACP 20/2015, Thai Institute of Directors Association (IOD)• ACP 7/2005, Thai Institute of Directors Association (IOD)• FND 19/2005, Thai Institute of Directors Association (IOD)• DAP 11/2004, Thai Institute of Directors Association (IOD) | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</u> |
| 29 Nov. 2023 - 24 Jan. 2025 | 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 - 13 Aug. 2024 | 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 |

7. Mr. Praphan Anaman

| | | |
|--|---|-------------------------------|
| Age (year) | 73 | |
| Position | <ul style="list-style-type: none">• Director• Independent Director• Audit Committee | |
| Date of appointment as a Director | 7 November 2023 | |
| Education | <ul style="list-style-type: none">• Thai Barrister at Law, Institute of Legal Education of The Thai Bar• Bachelor of Laws, Thammasat University• Administrative Justice for Executives Program (Class no.14), The Office of the Administrative Courts of Thailand | |
| Director Training Program | <ul style="list-style-type: none">• DAP 328/2022, Thai Institute of Directors Association (IOD) | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</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 |

8. M.L. Dispanadda Diskul

| | | |
|--|---|--|
| Age (year) | 50 | |
| Position | <ul style="list-style-type: none">• Director• Independent Director | |
| Date of appointment as a Director | 8 August 2024 | |
| Education | <ul style="list-style-type: none">• Master's Degree, Business Administration (Finance and Marketing), Sasin Graduate Institute of Business Administration of Chulalongkorn University | |
| Director Training Program | <ul style="list-style-type: none">• DAP/2015, Thai Institute of Directors Association (IOD) | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</u> |
| 8 Aug. 2024 - Present | Independent Director | Vanachai Group PCL. |
| 2022 - Present | Independent Director, Audit Committee | Specialty Natural Products PCL. |
| 2022 - Present | Member of the Board | Thailand Institute of Justice |
| 2019 - Present | Chairman | The Social Enterprise Thailand Association (SE Thailand) |
| 2015 - Present | Independent Director, Audit Committee | Chow Energy PCL. |
| Criminal - Free Track record for the past 10 years | | None |

9. Mr.Wanthana Jaroennawarat

| | |
|-----------------------------------|--|
| Age (year) | 64 |
| Position | <ul style="list-style-type: none">• Director• Managing Director• Authorized Director• Executive Chairman |
| Date of appointment as a Director | 1 November 1994 |
| Education | <ul style="list-style-type: none">• Honorary Doctor of philosophy (Industrial Engineering), King Mongkut's University of Technology North Bangkok• Honorary Doctoral Degree in Industrial Design, Rajamangala University of Technology Tawan-ok• Master of Engineering Faculty of Engineering, King Mongkut's University of Technology North Bangkok• Modern Leaders Development in Jurisprudence and Development (RoLD 2022 : Beyond Leadership), Thailand Institute of Justice• Top Executive Program in Creative & Amazing Thai Services (Class 1/2019), Commerce Academy• Top Executive Program in Commerce and Trade (Class 11/2018), Commerce Academy• Advanced Management Course in Power Science (Class 8/2016), Institute of Energy Science• Administrative Justice for Executives Program (Class no.18/2014), The Office of the Administrative Courts of Thailand• Poom Palung Pandin Courses for Executives (Class No.1/2012), Chulalongkorn University |

| | | |
|--|--|---|
| Education | <ul style="list-style-type: none">• Capital Market Academy Executive Program (Class No.13/2011), Capital Market Academy | |
| Director Training Program | <ul style="list-style-type: none">• DAP/2004, Thai Institution of Directors Association (IOD) | |
| Number of shares held in the company | 35,999,999 shares | |
| Shareholding (%) | 2.075% of Paid-up capital | |
| Family Relationship between Executives | <ul style="list-style-type: none">• Nephew of Mr. Sompop Sahawat• Cousin of Mr. Patta Sahawat• Cousin of Ms. Phattra Sahawat• Cousin of Mr. Somprasong Sahawat• Cousin of Mr. Sittiwat Sahawat | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</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 | |

10. Mr. Suthep Chaipattananich

| | |
|--|--|
| Age (year) | 61 |
| Position | Director |
| Date of appointment as a Director | 1 November 1994 |
| Education | • BA-Marketing, Assumption University |
| Director Training Program | • DAP/2004, Thai Institution of Directors Association (IOD) |
| Number of shares held in the company | 36,000,000 shares (Mrs. Siriporn Chaipattananich) of his spouse |
| Shareholding (%) | 2.075% (Mrs. Siriporn Chaipattananich) of paid-up capital of his spouse |
| Family Relationship between Executives | • Brother-in-law of Mr. Patta Sahawat • Brother-in-law of Ms. Phattra Sahawat |
| Working Experience in the last 5 years | |
| <u>Period</u> | <u>Position</u> <u>Name / Company</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 |

11. Mr. Patta Sahawat

| | | |
|--|--|---|
| Age (year) | 52 | |
| Position | <ul style="list-style-type: none">• Director• Deputy Managing Director• Authorized Director | |
| Date of appointment as a Director | 25 April 2001 | |
| Education | <ul style="list-style-type: none">• Diploma Mount Ida College, Massachusetts, USA. | |
| Director Training Program | <ul style="list-style-type: none">• DAP/2004, Thai Institution of Directors Association (IOD) | |
| Number of shares held in the company | 36,000,000 shares | |
| Shareholding (%) | 2.075% of Paid-up capital | |
| Family Relationship between Executive | <ul style="list-style-type: none">• Nephew of Mr. Sompop Sahawat• Elder Brother of Ms. Phattra Sahawat• Cousin of Mr. Wanthana Jaroennawarat• Cousin of Mr. Somprasong Sahavat• Cousin of Mr. Sittiwat Sahawat• Brother of wife of Mr. Suthep Chaipattanavanich (Mrs. Siriporn Chaipattanavanich) | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</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 | |

12. Ms. Phattrra Sahawat

| | |
|--|--|
| Age (year) | 50 |
| Position | <ul style="list-style-type: none"> • Director • Authorized Director • Assistant Managing Director |
| Date of appointment as a Director | 24 April 2002 |
| Education | <ul style="list-style-type: none"> • MSA. Multinational Commerce, Boston University, USA. |
| Director Training Program | <ul style="list-style-type: none"> • DAP/2004, Thai Institution of Directors Association (IOD) |
| Number of shares held in the company | 36,000,000 shares |
| Shareholding (%) | 2.075% of Paid-Up Capital |
| Family Relationship between Executives | <ul style="list-style-type: none"> • Niece of Mr. Sompop Sahawat • Younger sister of Mr. Patta Sahawat • Cousin of Mr. Wanthana Jaroennawarat • Cousin of Mr. Somprasong Sahawat • Cousin of Mr. Sittiwat Sahawat • Sister of wife of Mr. Suthep Chaipattananavich (Mrs. Siriporn Chaipattananavich) |

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 |

13. Mr. Somprasong Sahavat

| | |
|--|--|
| Age (year) | 48 |
| Position | <ul style="list-style-type: none"> • Director • Authorized Director • Assistant Managing Director • Chief Finance Officer (CFO) |
| Date of appointment as a Director | 13 May 2003 |
| Date of appointment is the highest account ability in the accounting and finance (CFO) | 12 November 2018 |
| Education | <ul style="list-style-type: none"> • MPA/ID, Harvard University, USA • Bachelor of Economics, Tufts University, USA • Advanced Management Course in Power Science (Class 18/2023), Institute of Energy Science • CFO Refresher Class 2/2021, Capital Market Knowledge Development, SET • Modern Leaders Development in Jurisprudence and Development (RoLD Class 2 : Beyond Leadership), 2017, Thailand Institute of Justice • Top Executive Program in Commerce and Trade (Class 9/2016), Commerce Academy • Strategic CFO in Capital Markets Program (Class 3, 2016), SET • Poom Palung Pandin Courses for Executives (Class No.3/2015), Chulalongkorn University • Capital Market Academy Executive Program (Class 16, 2014), Capital Market Academy |
| Director Training Program | <ul style="list-style-type: none"> • DAP/2004, Thai Institution of Directors Association (IOD) |
| Number of shares held in the company | 36,000,000 shares |
| Shareholding (%) | 2.075% of Paid-up capital |

Family Relationship between Executives

- 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 |

14. Mr. Sittiwat Sahawat

| | |
|--|---|
| Age (year) | 44 |
| Position | <ul style="list-style-type: none"> • Director • Authorized Director • Assistant Managing Director |
| Date of appointment as a Director | 14 May 2019 |
| Education | <ul style="list-style-type: none"> • Business Administrative, San Francisco State University, USA |
| Director Training Program | <ul style="list-style-type: none"> • DAP/2019, Thai Institution of Director Association (IOD) |
| Number of shares held in the company | 36,000,000 shares |
| Shareholding (%) | 2.075% of Paid-up capital |
| Family Relationship between Executives | <ul style="list-style-type: none"> • Son of Mr. Sompop Sahawat • Cousin of Mr. Wanthana Jaroennawarat • Cousin of Mr. Patta Sahawat • Cousin of Ms. Phattra Sahawat • Cousin of Mr. Somprasong Sahawat |

Working Experience in the last 5 years

| <u>Period</u> | <u>Position</u> | <u>Name / Company</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. |
| | 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 |

15. Mr. Surapong Dumrisilp

| | |
|--|--|
| Age (year) | 67 |
| Position | • Director |
| Date of appointment as a Director | 6 March 2015 |
| Education | • BA-Accounting, Thammasat University |
| Director Training Program | • DAP/2017, Thai Institution of Director Association (IOD) |
| Number of shares held in the company | None |
| Shareholding (%) | None |
| Family Relationship between Executives | None |
| Working Experience in the last 5 years | |
| <u>Period</u> | <u>Position</u> <u>Name / Company</u> |
| 2015 - Present | Director Vanachai Group PCL. |
| 2010 - 2024 | 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 |

16. Mr. Phumsakdi Chullavullibha

| | | |
|---|---|-----------------------|
| Age (year) | 60 | |
| Position | Assistant Managing Director | |
| Date of appointment as an Assistant Managing Director | 1 February 2010 | |
| Education | <ul style="list-style-type: none">• DBA-Industrial Business and Human Resource Development, King Mongkut's University of Technology North Bangkok• MIE-Industrial Engineering, King Mongkut's University of Technology North Bangkok | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</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) | 64 | |
| Position | Company Secretary | |
| Date of appointment as a Company Secretary | 11 August 2008 | |
| Education | <ul style="list-style-type: none">• BA-Accounting, Thammasat University• Practitioners Company Secretary Course Class No. 21/2009, Thai Company Secretary Club | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</u> |
| 2008 - Present | Company Secretary | Vanachai Group PCL. |
| Criminal - Free Track record for the past 10 years | None | |

18. Mrs. Prapaporn Sringam

| | | |
|--|---|-----------------------|
| Age (year) | 59 | |
| Position | Administrative Manager | |
| Date of appointment as an Administrative Manager | 1 October 2021 | |
| Education | • Bachelor's degree in Finance and Banking, Ramkhamhaeng University | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</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) | 43 | |
| Position | Chief Accountant | |
| Date of appointment as an Accounting Supervisor | 1 April 2022 | |
| Education | <ul style="list-style-type: none">• Faculty of Humanities and Social Sciences, Accountancy, Burapha University• Training for continuing knowledge development in accounting<ul style="list-style-type: none">Year 2024, amount 12 hoursYear 2023, amount 12 hoursYear 2022, amount 12 hours | |
| Number of shares held in the company | None | |
| Shareholding (%) | None | |
| Family Relationship between Executives | None | |
| Working Experience in the last 5 years | | |
| <u>Period</u> | <u>Position</u> | <u>Name / Company</u> |
| 1 Apr. 2022 - Present | Chief Accountant | 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. Suebtrakul | Soonthornthum | √ | - | - | - | - | - | - | - | - | - | - | - |
| 3. Ms. Yupaporn | Boongate | √+√ | √ | √ | √ | √ | - | √ | √ | √ | - | √ | √ |
| 4. Mr. Kraithip | Krairiksh | √ | - | - | - | - | - | - | - | - | - | - | - |
| 5. Pol. Gen. Soontorn | Saikwan | √ | - | - | - | - | - | - | - | - | - | - | - |
| 6. Pol. Gen. Visanu | Prasattongosoth | √ | - | - | - | - | - | - | - | - | - | - | - |
| 7. Mr. Praphan | Anaman | √ | - | - | - | - | - | - | - | - | - | - | - |
| 8. M.L. Dispanadda | Diskul | √ | - | - | - | - | - | - | - | - | - | - | - |
| 9. Mr. Wanthana | Jaroennawarat | √+√ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| 10. Mr. Suthep | Chaipattanavanich | √+√ | √ | √ | √ | √ | - | √ | √ | √ | √ | - | - |
| 11. Mr. Patta | Sahawat | √+√ | √ | √ | √ | √ | - | √ | √ | √ | √ | √ | √ |
| 12. Ms. Phattra | Sahawat | √+√ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| 13. Mr. Somprasong | Sahavat | √+√ | √ | √ | √ | √ | - | √ | √ | √ | √ | - | - |
| 14. Mr. Sittiwat | Sahawat | √+√ | √ | √ | √ | √ | - | √ | √ | √ | √ | - | - |
| 15. Mr. Surapong | Dumrisilp | √+√ | - | - | - | - | - | - | - | - | - | - | - |
| 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, 2024

| Directors list | | Subsidiaries list | | | | | | | | |
|-----------------------|-------------------|-------------------|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1. Mr. Sompop | Sahawat | 1 | 1 | 1 | 1 | - | 1 | 1 | 1 | 1 |
| 2. Mr. Suebtrakul | Soonthornthum | - | - | - | - | - | - | - | - | - |
| 3. Ms. Yupaporn | Boongate | 1 | 1 | 1 | 1 | - | - | - | 1 | - |
| 4. Mr. Kraithip | Krairiksh | - | - | - | - | - | - | - | - | - |
| 5. Pol. Gen. Soontorn | Saikwan | - | - | - | - | - | - | - | - | - |
| 6. Pol. Gen. Visanu | Prasattongosoth | - | - | - | - | - | - | - | - | - |
| 7. Mr. Praphan | Anaman | - | - | - | - | - | - | - | - | - |
| 8. M.L. Dispanadda | Diskul | - | - | - | - | - | - | - | - | - |
| 9. Mr. Wanthana | Jaroennawarat | 1 | 1 | 1 | 1 | - | 1 | 1 | 1 | 1 |
| 10. Mr. Suthep | Chaipattanavanich | - | - | - | 1 | - | - | - | - | 1 |
| 11. Mr. Patta | Sahawat | 1 | - | 1 | - | - | - | - | - | - |
| 12. Ms. Phattra | Sahawat | - | 1 | - | 1 | - | 1 | 1 | - | - |
| 13. Mr. Somprasong | Sahawat | 1 | 1 | 1 | - | - | - | - | - | - |
| 14. Mr. Sittiwat | Sahawat | - | - | - | - | - | - | - | - | - |
| 15. Mr. Surapong | Dumrisilp | - | - | - | - | - | - | - | - | - |

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 directors | | List of Subsidiaries | | | | | | | | |
|-------------------|-------------------|----------------------|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1. Mr. Sompop | Sahawat | ✕ | ✕ | ✕ | ✕ | ✓ | ✕ | ✕ | ✕ | - |
| 2. Ms. Yupaporn | Boongate | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | - |
| 3. Mr. Wanthana | Jaroennawarat | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. Mr. Suthep | Chaipattananavich | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ |
| 5. Mr. Patta | Sahawat | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ |
| 6. Ms. Phattrra | 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

- Head of Internal Audit

Ms. Adchara Watanawongsiri

Age : 54 Years

Education : B.B.A. (Accounting), Ramkhamhaeng University

Number of shares held in the company : None

Shareholding (%) : None

Family relationship between Executives : None

Working Experience in the last 5 years

2010 - Present : Information and Data system Dep. Manager

Head of Internal Audit is responsible for oversees the company's and group's business operations to ensure compliance with laws, regulations, rules, policies, and requirements set by relevant governmental agencies, such as the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and other regulatory agencies related to the company's business activities.

- Head of the company's compliance department

-None-

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 2024 are as follows:

| Type / Characteristics of Property | Proprietary nature | Net book value (million baht) | Obligation |
|---|--------------------|-------------------------------|---|
| 1. Land and land improvements, with total area of 1,014 Rai 1 Ngan 26.30 square Wah | Owner | 376.83 | Mortgaged for short-term loans and long-term loans from financial institutions in the amount of 7,503.54 million baht |
| 2. Building improvements, factory building and construction | Owner | 1,773.72 | |
| 3. Machines and equipment | Owner | 7,008.46 | |
| 4. Land and land improvements, with total area of 810 Rai 1 Ngan 71.20 square Wah | Owner | 287.98 | Not bound by obligations |
| 5. Building improvements, factory building and construction | Owner | 233.83 | Not bound by obligations |
| 6. Machines and equipment | Owner | 1,206.63 | Not bound by obligations |
| 7. Vehicles | Owner | 133.99 | Not bound by obligations |
| 8. Tools | Owner | 36.40 | Not bound by obligations |
| 9. Furniture and office equipment | Owner | 15.36 | Not bound by obligations |
| 10. Construction in progress | | 45.35 | Not bound by obligations |
| Total | | 11,118.55 | |

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 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 | Prasattongsoth | 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.

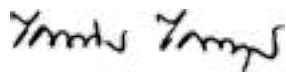
In the year 2024, the Audit Committee held 4 meetings, were meetings to review the quarterly financial statements that were reviewed by the Certified Public Accountant and annual financial statements audited by a certified public accountant, to assure that the financial statements were accurate and revealed 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. Mr. Kraithip | Krairiksh | 4/4 |
| 2. Police General Soontorn | Saikwan | 4/4 |
| 3. Police General Visanu | Prasattongsoth | 2/4 |
| 4. Mr. Praphan | Anaman | 4/4 |

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 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 or Miss Pimjai Kerdumrai Certified Public Accountant (Thailand) Registration No. 13975 from SAM NAK-NGAN A.M.C Co., Ltd. to be the auditors for the year 2025 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 2025 total 975,000 Baht to submit board of approval and presented at shareholder annual general shareholder meeting of year 2025 for future approval.

Sign 

(Mr. Kraithip Krairiksh)

Chairman of the Audit Committee



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