



VICHITBHAN PALMOIL  
PUBLIC COMPANY LIMITED



56-1 ONE REPORT

# ANNUAL REPORT 2023





**56 -1 ONE REPORT**

**VICHITBHAN PALMOIL PUBLIC COMPANY LIMITED**

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# VISION



**We grow. We sustain.**  
**Palm Today, Prospect Tomorrow.**

## MISSION

To control production's  
cost at appropriately.



To make the customer  
satisfaction.



To focus on development  
in production technology  
and personal skills.



To maximize efficiency  
and productivity.



To be friendly with  
environment and  
community.



To be a business leader by  
professional management  
and operation.

# FINANCIAL HIGHLIGHTS

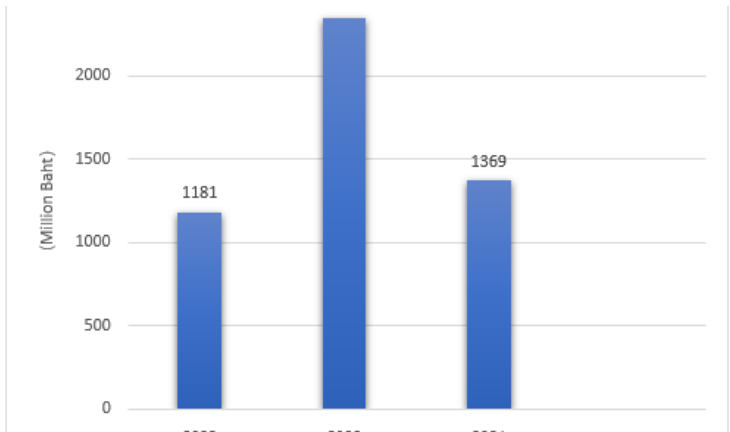
## CONSOLIDATED FINANCIAL (MILLION BAHT)

	2023	2022
Net Sales Income	1,181.44	2,348.54
Net Profit	-115.60	15.93
Net Cash Provided by Operating Activities	-43.30	169.47
Total Asset	698.95	740.03
Shareholders' equity	483.64	597.14

## FINANCIAL RATIOS (PERCENTAGE)

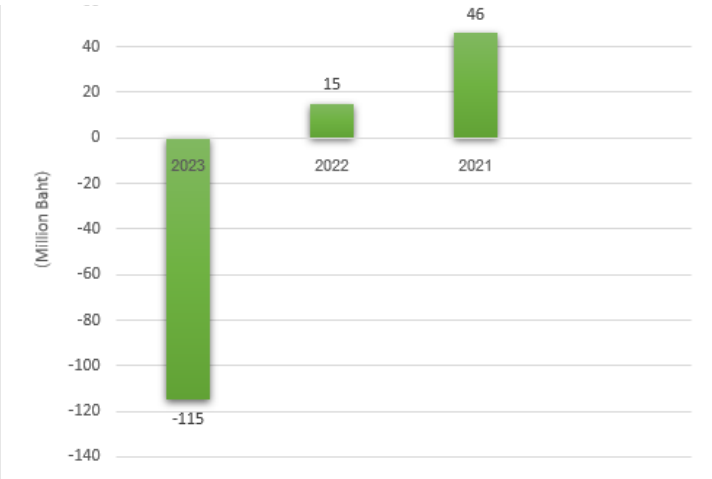
	2023	2022
Gross Margin	0.25	7.42
EBIT Margin	- 9.21	1.49
Net Profit Margin	- 9.78	0.68
Net Debt to Equity	0.45	0.24
Return on Total Assets	- 16.07	1.98

### Year 2023



Net Sale Income  
1,181.44 (Million Baht)

Net Profit (Loss)  
115.60 (Million Baht)



## Message from Managing Director

**Dear shareholders,**

The year 2023 is a year that is completely different from the past. In particular, palm plantation areas are increasing in many provinces, which makes the distribution of palm age more different and diversified. As a result, palm produce released to the market last year was far from normal. That is, normally palm fruits that come out monthly have a bell-shape and there are a lot of palm fruits released to the market between April and June.

However, in 2023 palm produce came out in large quantities between January and February and decreased in volume in March. The decreased volume appeared stable during the remaining months of the year. This is significantly different from the market forecast of the palm oil mill industry group. This makes it difficult to carry out operations both in terms of management and production as well as the distribution both domestically and internationally. This can be seen that the year 2023 is the year that the export volume of crude palm oil decreased greatly and was lower than forecasted. In addition, the El Niño phenomenon, though less severe, has resulted in palm fruits produced in Thailand not as expected especially in Chumphon Province, where the amount of palm production was less than expected. It also had a much-reduced proportion compared with other provinces in Thailand. This market condition is considered a challenge for the company's operations throughout the year 2023. Nevertheless, the company expects that market conditions experiencing in 2023 will gradually return to normal when the distribution of palm age returns to its balance again. It is also expected that in 2024 the distribution of palm produce will return to a more normal pattern.



As for the global market situation in 2024, it is expected that the supply of palm oil may not increase as much while its demand is likely to increase. This may cause the price of palm oil in the world market to remain stable. However, some factors need to be monitored: 1) soybean production in the North American market for which it is necessary to monitor the effects of weather conditions that will affect soybean production; 2) weather conditions in Southeast Asia, especially in Malaysia and Indonesia which may affect the palm produce that will be released to the market during the palm season; and 3) the direction in which each country's government policy in promoting bio-diesel goes. All of these factors affect the trend of crude palm oil price in the future.

On this occasion, the company would like to thank investors, shareholders, and farmers for their support to the company, Business partner companies, both domestic and international, and all relevant sectors that have always given confidence in the company's business operations. The company promises to do its best in following up on various factors in order to ensure maximum effectiveness of its performance and decision-making henceforth.

A handwritten signature in blue ink, which appears to read 'Krisada Chavananand'.

Mr. Krisada Chavananand  
Managing Director

The background features a collection of geometric shapes, including diamonds and squares, in two shades of orange: a vibrant orange and a lighter, peach-like orange. These shapes are arranged in an abstract, overlapping pattern. A large, light orange diamond is centered behind the text. Two smaller, white diamonds with orange outlines are positioned above and below the central text. Other solid-colored shapes are scattered around the periphery, creating a modern, minimalist aesthetic.

# **Business Operation and Performance**

The background features several large, semi-transparent orange diamonds of varying sizes and orientations, creating a geometric pattern. Two smaller, hollow orange diamonds are also present, one in the upper right and one in the lower left.

# **Business Structure and Operation**



# 1 Business Structure and Operation

## Policy and Business Overview

The Company produces and sells crude palm oil in Chumphon province. It has 2 manufacturing plants with the total capacity of 180 tons of fresh Palms per hour. Additionally, the Group operates alternative energy production by using waste water, and residues from the production of crude palm oil to produce biogas to be used as fuel for electricity production sold to the Provincial Electricity Authority. Currently, the Group operates two main businesses as follows:

### 1. Production and Distribution of Crude Palm Oil

#### Palm oil Plantation

Vichitbhan Palmoil Co., Ltd., a subsidiary of Vichitbhan Palmoil Public Co., Ltd. received permission to use the national sanctuary land by the Royal Forest Department in the form of concession in the Rabror and Salui forest areas, the deforested area in Hongcharean sub-district, Thasae district, Chumphon province for palm oil plantations within an area of 19,835 Rai 3 Ngan 75 square Wah with the license expired on February 11th, 2015. Presently, it's still in the process of reinstating the license. In addition, the permission had been granted to use another National Reserve Forest area by the Royal Forest Department for oil palm plantations amounting to 9,334 Rai, 75 squares Wah in Hongcharean sub-district, Thasae district, Chumphon province with the name being Vichitbhan Palm Oil Plc. with the license expired on October 17th, 2015. Presently, it's still in the process of reinstating the license. The Company uses fresh palms as raw material in the production of crude palm oil.

After expired license, Vichitbhan Palmoil Co., Ltd., and subsidiary of Vichitbhan Palmoil Public Co., Ltd. have ceased the collection of palm fruit in the area. Until on June 28, 2016, the Central Administrative Court has ordered the Company and its subsidiaries to maintain and collect the palm fruit by paying a yearly fee to the Royal Forest Department as agreed by the Company.

On 27 April 2020, the Company received an appointment to hear the order of the Supreme Administrative Court ruling on the appeal against the order on remedial provisional means dated 14 September 2016 of the 2nd and 3rd defendants. The court had an order to amend Clause 2 of the order of the Administrative Court by having the Company to pay compensation to the Royal Forest Department during the enforcement of the means to protect the interests of the applicant during the trail as per the notification of the Ministry of Natural Resources and Environment, Re: Determination of the licensee's compensation rates for forest



plantations or perennial plantations payable to the government dated 10 November 2015, which is a governing law during the Administrative Court of First Instance ordered a remedial provisional mean. Regarding compensation of benefits from palm oil and other assets, which is not a dispute in this case, shall be in accordance with the law. If the Company does not agree to pay compensation or fees as required by law, the methods to protect the interests of the applicant during the trial shall be terminated and dismiss the order of the Administrative Court of First Instance Clause 3 and 4. The remainder shall be in accordance with the order of the Administrative Court of First Instance.

### **Palm oil Crushing Mill**

As on December 31st, 2023, the Company has 2 crude palm oil extraction plants with the total production capacity of 180 tons of fresh palms per hour. This is deemed that the Company had the largest total capacity of in Chumphon province, a major palm oil source of the country resulting in the Company having earned the trust of farmers and fresh palm trading entrepreneurs because the Company is able to handle large amount of fresh palm. The Company's palm oil crushing mill used Automation and Monitoring System technology in the production, which has helped increase production efficiency and resulting in good quality crude palm oil produced meeting the standards that is recognized by leading companies both domestic and abroad. It also allows the Company to control crude palm oil Loss in the production resulting in the Company production rate being good.

The Company's products produced from palm oil are crude palm oil, palm Kernel, and by-products such as Palm Kernel Shell. The main income for the Company is from sales of crude palm oil and because the products quality meets international standards, the Company's distribution channels are both local and foreign.

## **2. Production and Distribution of Electricity**

### **The production and distribution of electricity from biogas**

VG Energy Co., Ltd. is a Company producing electrical energy from biogas as per the electricity purchasing contract from very small power producers (VSPP or producers of electric power not over 10 MW.) with the Provincial Electricity Authority. The Company has 2 biogas plants in Chumphon province with the total capacity of 8.4 MW with Thung Kha power plant has the production capacity at 2.8 MW power plant and Thasae power plant at 5.6 MW. The said biofuels are from biogas generated from the wastewater treatment process and decanter cake from the extraction of palm oil then the electric energy is sold to the Provincial Electricity Authority. Besides, adding value to the waste from crude palm oil factory, it also reduces the environmental impact on the communities include reducing odor from waste water. The biogas plant also contributes to reducing greenhouse gas emissions, the cause of global warming. Additionally, the Company was registered as a Clean Development





Mechanism (CDM) Project under the United Nations Framework Convention on Climate Change (UNFCCC) in October 2011 and April 2012.

Additionally, the Company is also entitled to the tax benefits from The Board of Investment of Thailand for the production and distribution of electricity from biogas for a period of 8 years from 2011 to 2019 with the corporate income tax exemption and a 5 years period from the year 2020 to 2025 for the 50% income tax deduction.

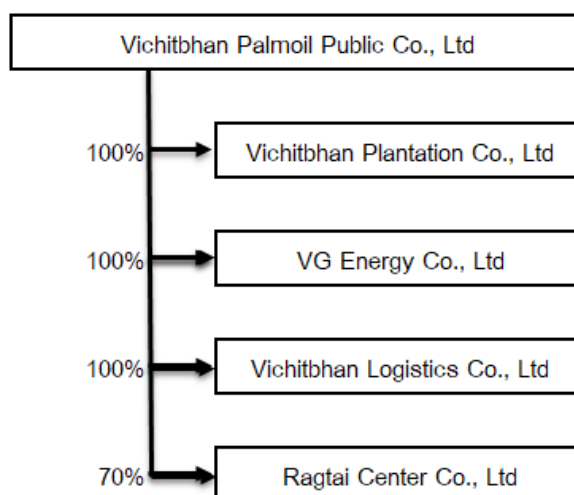
### 3. The Shareholding Structure of the Group

The shareholding structure of the Company and its subsidiaries is as follow:

Company	Nature of Business	Registered Capital	Shareholding
<b>Vichitbhan Palmoil Public Co., Ltd.</b>	Crude palm oil and by-product producer and distributor	940.0 million THB	-
<b>Vichitbhan Plantation Co., Ltd.</b>	Oil palm plantations operator	42.5 million THB	100.0
<b>VG Energy Co., Ltd.</b>	Producer and distributor of electricity generated from waste or residues of crude palm oil factory	470.0 million THB	100.0
<b>Vichitbhan Logistics Co., Ltd.</b>	Transportation operator of crude palm oil and others	8.0 million THB	100.0
<b>Ragtai Center Co., Ltd.</b>	Provide hemodialysis services	10.0 million THB	70.0

### The Shareholding Structure of the Company Group

As on December 31st, 2023, the shareholding structure of the Company and its subsidiaries is as follows.



#### 4. Relationship with Major Shareholder Group

-N/A –



## Business Structures

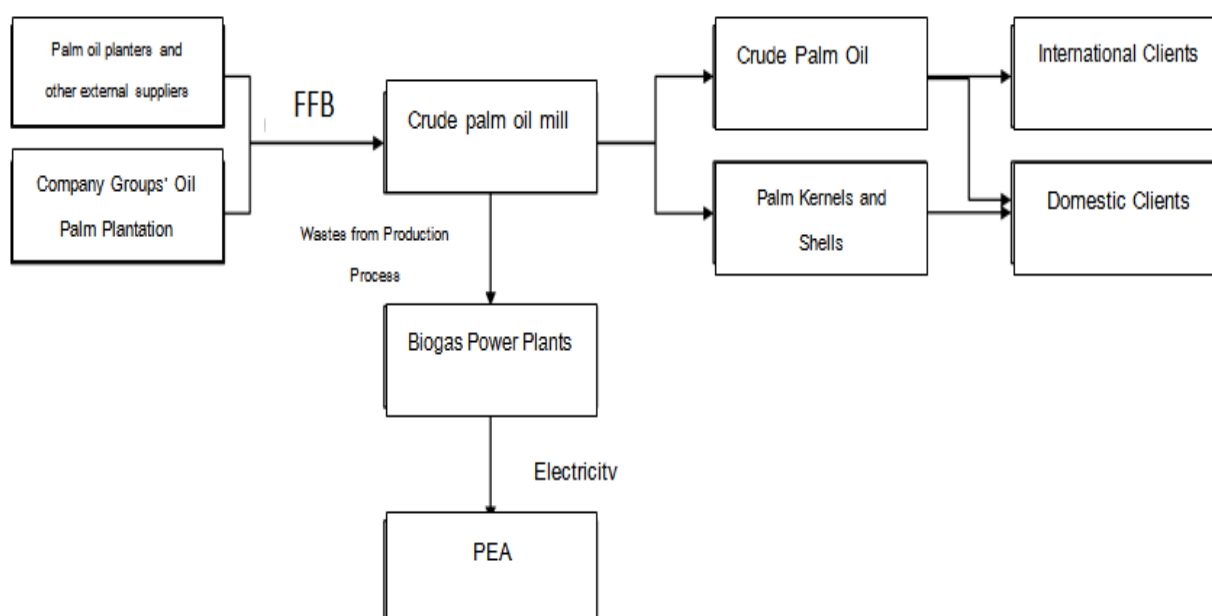
### 1. Income Structure

This table showed income structure of Company group.

Lists	Annual financial statement					
	31-Dec.-23		31-Dec.-22		31-Dec.-21	
	Million	%	Million	%	Million	%
Revenue from main products	1,074.98	90.99	2,224.48	94.72	1,265.55	92.44
Revenue from other	106.46	9.01	124.06	5.28	103.54	7.56
<b>Total revenue</b>	<b>1,181.44</b>	<b>100.00</b>	<b>2,348.54</b>	<b>100.00</b>	<b>1,369.09</b>	<b>100.00</b>

Revenue from CPO and KER were approximately 90% – 95% of total revenue.

The Company classified the products manufactured and sold into 2 major categories: (1) product on manufacturing and supplying crude palm oil business including the production and distribution of crude palm oil and by-products from the production of crude palm oil such as seeds, and palm kernel shells (2) manufacturing and distribution of electricity from wastes or residues from the production of crude palm oil to produce electricity. This can be illustrated by the diagram as follows;



### 2. Production and Distribution of crude palm oil and by-products

Currently, the Group There are 2 crude palm oil extraction plants in Sapanan sub-district, Tha Sae district Chumphon province and Thung Kha sub-district, Muang district Chumphon province with a total capacity of 180 FFB tons per hour.

## 2.1 Product Characteristics - Production and distribution of crude palm oil

Products manufacturer and supplier of crude palm oil can be classified into 3 types;

### (1) Crude Palm Oil or CPO



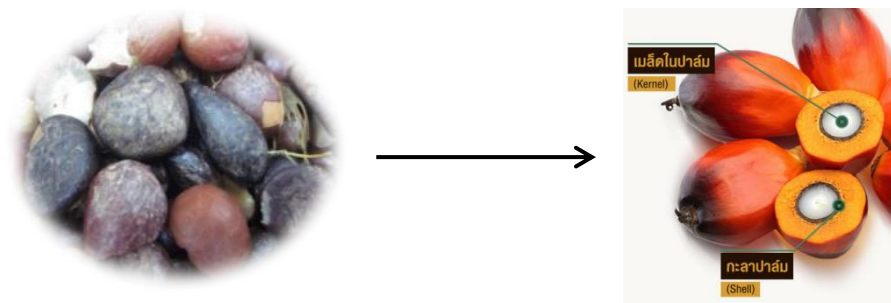
The product is extracted from the palm squeeze. This is a reddish-brown liquid and the Company has no control at all production steps. The oil extracted from palm oil production process meets international standards. The standard features of crude palm oil and crude palm oil, the properties of the Company's production may be summarized as follows:

Properties	PORAM Standard <sup>1</sup>	Average value in 2023 from the Company's lab
Free Fatty Acid as PALMATIC	≤ 5.00%	3.92%
Moisture & Impurity (M&I)	≤ 0.25%	0.14%
Deterioration of Bleach ability Index (DOBI)	> 2.30	2.62

Crude palm oil is the raw material of various types. Generally, the use of crude palm oil can be divided into 2 main types of uses for consumption and used as a raw material in the production of renewable energy. The amount of each type in 2023 can be accounted for approximately 58.34% and 41.66% of the palm oil used in the country, respectively. (source: Department of Internal Trade of Thailand). For the Company, the manufactures and distributes crude palm oil to its crude palm oil refineries both domestic and international to be used in the food industry and other industries such as the production of biscuits, Non-dairy creamer, ice cream, shampoo, and cosmetics industries, including manufacturing, industrial Oleo chemicals. These include the production of fatty acids and methyl ester, etc.

<sup>1</sup> Palm Oil Refiners Association of Malaysia - PORAM refers to the quality of crude palm oil in Malaysia.

## (2) Palm Kernel



Production of crude palm from fresh palm fruits the Company will get palm kernel, which the innermost core of the fruit. The kernel is white opaque and very hard, mostly used for extracting oil. Then the palm kernel oil is used as an ingredient in the production of bread, margarine, and fats used in cooking, cosmetics, health supplements, as raw material for oleo chemicals industry and the pulp is used as an ingredient in animal feed.

## (3) By-Product (Palm Shell, Empty Fruit Bunches, Decanter Cake, and Palm Fiber)



**Palm Shell**

**Empty Fruit Bunches**

**Decanter Cake**

**Palm Fiber**

After the crude palm oil, the Company would end up with Palm Kernel Shell, empty fruit bunches, decanter cake, and palm fiber:

- Palm Kernel Shell is between the palm fiber attached to the outer shell and palm kernel inside. The brown solid meat is mostly used for fuel.
- Empty Fruit Bunches (EFB) will be used as fertilizer for mushroom and can be use as fuel.
- Decanter Cake is used for animal feed and raw material in the production of biogas.
- Palm fiber is used as fuel to produce electricity and thermal energy to be used in the production of crude palm oil. This reduces having to purchase power from outside.

## 2.2 Sales and Marketing - Production and distribution of crude palm oil

### Competitive Strategy

The business of crude palm oil is an agricultural industry. Therefore, the main factors affecting the Company's performance and financial status are amounts of palm fruit that goes into the production process. The



major factors affect the quantity of palm fruit are weather and rainfall as an uncontrollable external factor. At present, the production capacity of the crude palm oil extraction plant in the country is 1.5 – 2.0 times greater than the amount of palm oil produced in the whole country and it is expected that the production capacity will be higher. The competition in raw material procurement is very serious. It may also be entered into a new competitor's industry or an expansion of the existing competitor. Therefore, the Company's strategy focused on internal management to be in line with the industry situation and increase its competitiveness. Focus on the enhance production processes and to control production costs.

#### **Focus on sustainable the material.**

The main factor of the extractive crude palm oil business is amounts of fresh palm fruit. The Company purchases the material from both small palm oil growers and large palm oil growing, including external vendors. Consequently, the company has focused on doing sustainability of materials covered plantation, approach palm oil growers as well in order to comply with the goal of building material stability, quantity. Moreover, the Company focused on quality With a project to buy palm fruit according to quality If farmers sell good quality palm fruit, the price will be higher. Which when farmers saw the importance of cutting quality palm fruit and it is expected to reduce the behavior of raw or semi-ripe palm fruit cutting, which can be seen that This project will not only promote the quality of the palm fruit that has entered the Company's production process. It also enhances the quality of the palm industry as well.

The company has also focused on improving the capabilities of the customer relations department by building inclusion in the information system and analytical thinking techniques in order to be able to use information in the Company's information system to formulate a balanced palm purchase strategy in terms of quantity, quality and price. For farmers to the image of the company by listening to the problem and various suggestions from palm farmers To be used as a guideline for improving the development of services to meet the needs of palm sellers

#### **Focus on efficiency development of procedure.**

The Company is a leader in manufacturing technology that the efficient production process will affect product quality, establish credibility and have the advantage of distribution. The production process uses Automation and Monitoring System which which can monitor, process, analyze the operation of various production processes and machines quickly and efficiently It also helps in analysis to correct various defects on time to reduce the loss of production and the impact of production disruptions.

Although the Company has high production technology but the Company still emphasize on people by providing training to staff to understand the process of machinery in the production line to maximize the efficiency of the machine and help reduce accidents in work.

#### **Cost planning and cost control.**

In the high competition in this industrail, proper cost control and production costs are strategies that the Company emphasized. Due to reduced expenditure or production costs would result in more



opportunities to compete for the purchase of palm fruit. The machinery will be fully utilized which result in lower production costs per unit. The Company has introduced an information system to assist in the management and repair planning, enabling effective control of repairs.

### **Human resource development**

The company is still committed to developing personnel to have knowledge and skills for working. In 2023, the company has allowed the office and factory personnel to attend training and seminars in line with an emphasis on efficient skill processes and effectiveness. In addition, there is an internal training on creating the organizational sustainability and the principles of environmental, social, and governance supervision in order to enhance knowledge and understanding of sustainable business operations. .

## **2.3 Distribution and Channels**

The Company does not have a long-term crude palm oil contract as well as no derivatives policy. Include the policy of hoarding numerous oil for speculation. This is to prevent the risk of fluctuations in the price of crude oil which may arise from many factors that the Company can not control. However, the market is highly competitive and speculative. The Company may need to manage the sales according to market conditions. In some cases, the Company may have inventory higher than normal demand for palm oil and the policy of using biodiesel in the government.

### **Domestic distribution.**

The Company distributes crude palm oil and palm kernel directly to refinery, biodiesel producer and kernel oil extraction plant.

### **International distribution.**

The Company exports only crude palm oil products. The Company also regularly considers the proportion of domestic and abroad distribution. The keys factors used in the Company consideration, prices, the demand in the domestic and abroad market.

## **2.4 Customers and Target Customer Groups**

There are 2 Company's Target Customer Groups: Domestic and Abroad

### **1) Domestic costumers**

Customers in this Group are crude palm oil refinery that will bring the Company's CPO to be refined, Biodiesel manufacturer which will use CPO through chemical process to produce biodiesel which is a substitute energy fuel of diesel type palm kernel oil extraction plants that will bring the Company's palm kernel to be extracted for oil. The Company can supply many refinery, biodiesel manufacturer and extraction plants in bulk due to the stability in the production of crude palm oil and palm kernel, product quality being acceptable, and punctuality in delivery.



## **2) International costumers**

At the beginning of the year 2023, the company exported quite a lot of crude palm oil due to high stock levels and the price of crude palm oil in the country being lower than the world market. However, the Company has still maintained its export potential, by maintaining the quality of products that meet international standards, entrusted from foreign customers. In the past, Thailand has been able to operators for export which the Company is considered only a few domestic manufacturers that have the ability to compete in the international market. Since the large production capacity and quality management are reasonable.

### **2.5 Raw Material Procurement - Production and distribution of Crude palm oil**

The major raw material in the production, fresh palm fruit were approximately to 91% of the total production costs for the past 3 years and procured from the entire country with the plantation of the Company Group accounted about 10% per year.

However, for the past year, the license to use the reserved National Forest land from the Royal Forest Department in the concession area in Hongcharean sub-district, Thasae district, Chumphon province area of 19,835 Rai 3 Ngan 75 square Wah and the area of 9,334 Rai, 75 square Wah expired on February 11<sup>th</sup>, 2015 and on October 17<sup>th</sup>, 2015 respectively, on 28 June 2016 the Administrative Count permitted the Company and its subsidiaries to collect Palm fruit, and the other part of total fresh palm fruit used in production were the Company's raw palm fruit purchased from other.

#### **1) Raw palm fruit purchased from outside**

The price of fresh palm fruit which purchased from third parties by transferring or paying cash, depending on the volume, market conditions, and the Company's policies. In each year the Company buys fresh palm fruit from the outside; namely:

1. From the Company purchasing points (Ramp) to facilitate small palm growers to be able to sell fresh palm fruit to the Company without having to transport to sell them at the crude palm oil extraction plant. Therefore, the Company has invested to spread out the trading points to the area's farmers to facilitate the purchase. Each nearby trading point is not the buying point for any company trade partner so it does not cause any problem on poaching palm fruit with the Company trade partners.

2. The Company trade partner purchasing points do not have their own crude palm oil extraction plant and trading of fresh palm fruit to the Company. The Company had the policy to promote the quality of palm fruit. If the purchase points of the partner send good quality fruit, the partner will accept a higher price. The partners could buy more fruit from palm growers and promote the project to buy good quality palm fruits to enter into the production process of the Company.

3. Major palm growers that are capable of transporting and have good relationship with the Company will transport the palm directly to the mill.

#### **2) Raw palm fruit from the company**



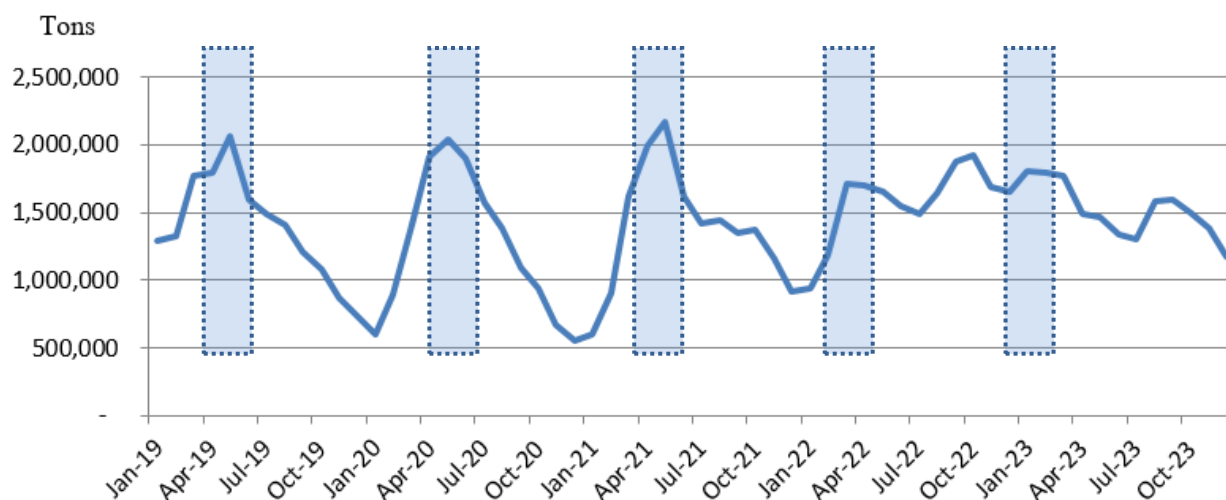


The Company's local area for cultivating and harvesting was approximate to 6,804 Rai. The Vichitbhan Plantation Co., Ltd. has cultivated and harvesting area of approximately 15,984 Rai, resulting in the Company palm plantations totaling 22,788 Rai. But in 2016 the contracts on the 2 plots of land have gradually expired, but the Administrative Court had temporary protection order that the Company and its subsidiaries can collect the palm fruits in these areas since June 2015. However, the order also decreased cultivating and harvesting area approximately to 7,109 Rai for the Company and 16,256 Rai for subsidiaries. Moreover, there was the old age of palm trees and lack of fertilization before the Administrative Court's order. But compared to the amount of fresh palm oil fruit harvested by the Company before the expiration of the concession, the amount of fresh palm fruit is halved.

#### **Problems with the supply of raw materials**

There are many factors in Thailand resulting the cost of cultivation of palm oil being higher than countries that are leader in the palm oil industry in the region; most palm growers have cultivation area is not very large, It is impossible to have a comprehensive management and investment in technology and development to increase productivity per acreage, palm varieties yielded low product, care and harvest were not quality and standard. The harvesting of palm fruit is also dependent on rainfall of the season each year and palm trees age.

In addition, the imbalance of fresh palm fruit to the market with the current plant capacity results in severe competition in the purchase of palm fruit. In 2023, Thailand had a total output of 18.20 million tons, which is lower than in the year 2022 with an output of 19.03 million tons or decreased by 4.21 percent. Chumphon province has a market volume of 1.88 million tons, which is lower than in 2022 with 2.22 million tons or decreased by as much as 15.10 percent because of quantity and price competition, palm fruits are snatched to neighboring provinces. Moreover, as the weather conditions of Chumphon Province is more arid than other provinces, as a result, the proportion of palm fruit quantities in Chumphon Province to the country as a whole has declined significantly. However, there is an excess of production capacity.

**Graph 1 The quantity of Palm Fruit for 2019 to 2023.**

Reference: Department of Internal Trade, Ministry of Commerce

The Company has a strategy to procure palm fruit. In addition to adding a purchase point of the company by spreading to cover many areas in Chumphon province to reach even more small farmers and still have good quality palm projects to motivate farmers to cut fresh, quality palm fruit and sell to the company. And will get a higher price according to the quality of the palm fruit sold this allows the company to supply more palm fruit in both quantity and quality.

## 2.6 Production - Production and distribution of palm oil

The Company has a total of 2 palm oil crushing mills located in Chumphon province. Thasae crude palm oil extraction plant has the production capacity of 120 tons of fresh palms per hour and Thung Kha mill with a capacity of 60 tons of fresh palms per hour. The total production capacity is 180 tons of fresh palms per hour, as detailed below.

Detailed information on the production of the Group for the year 2021 - 2023

	Year 2023	Year 2022	Year 2021
Production capacity (tons of fresh palms per hour)	180	180	180
The palm put into manufacturing (tons)	131,075	206,025	173,856
crude palm oil produced (tons)	22,519	34,766	29,620
palm kernel produced (tons)	7,315	11,341	9,917

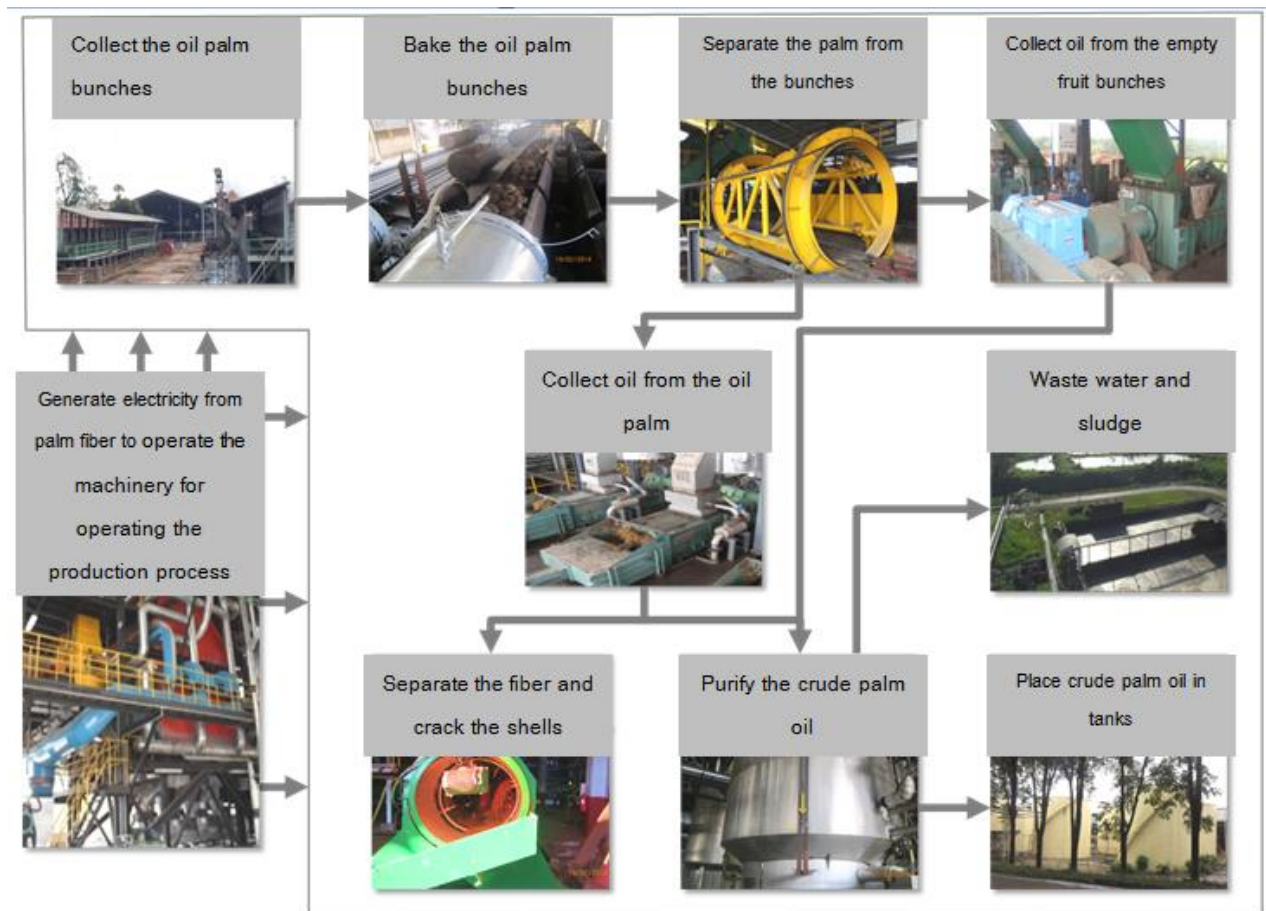
The Company implemented advanced technology with good performance, such as Automation and Monitoring System to be used in the manufacturing process to make the process more efficient and effective. It can also quickly analyze data unlike other palm oil mill that still use the old system controlled by the workers.



The monitoring and analysis of the production is difficult and time-consuming resulting in lower productivity and the potential of productivity loss because the situation cannot be remedied immediately.

Manufacturing process has been controlled and managed by the Automation and Monitoring System start from the fruit conveyer to the sterilizer to steam with steam so the fruit is soft and can easily fall out of the core. It is followed by the process of separating the palm fruit from the palm bunches oil to be forwarded to the screw press. The next process is the oil cleaning process by separating oil from water impurities such as sand, decanter cake pellets, which the Company has an oil separator machine with special technology to reduce the time of separation with oil contamination five times faster than the original duration. This results in a shorter duration, better quality of the CPO, and the Deterioration of Bleachability Index (DOBI) of CPO being better. Then, it will go through the moisture elimination to yield quality CPO and various by-products from the production. While some crude palm oil extraction plant production process is by seed compression results in deteriorated palm oil quality due to the palm oil and palm kernel oil being mixed.

### Brief description of crude palm oil production



Reference: Company

The details of each station are as follows:

Figures of production process	Description
  	<p><b>The fruit bunches reception</b> – is a palm fruit bunches reception process from various sources of factory and taken to the Palm reception area. When the process begins, the fruit bunches will be onto the conveyor belt sending the Palm fruit bunches to be loaded onto the truck waiting to be baked.</p>
  	<p><b>Palm baking</b> – the transport system moves the loaded truck into a sterile pot, which is controlled by Automation System with sterile casserole baking by steaming palm with steam at a pressure of three atmospheres. The palm fruit bunches ripen and then taken out to be forwarded to the separation process. The Automation System will enhance efficiency and precision in controlling the temperature, pressure, and time resulting in the steaming process being complete and meets the desired formula. In addition to reducing Human Error, it is also a tool to help employees to work more efficiently.</p>
  	<p><b>Separating the fruit from the bunch</b> - truck loaded with baked palm to Tipper to pour out on to the conveyor belt to the Threshing Machine to separate the fruit from the fruit bunch then the fruit is transported by conveyor to the fruit oil extractor while the empty fruit bunch is transported by conveyor to the fruit bunch oil extractor.</p>
  	<p><b>Extracting oil from fruit</b> – the fruit is transported to the digester using steam and then into the Screw Press by squeezing oil from palm fruit. In this process, the fiber of palm and palm kernel will be left over. The crude palm oil will flow into the oil cleaning station. The fiber palm and palm kernel will be sent to separate fiber and seed crackers.</p>



Figures of production process	Description
	<p><b>Cleaning palm oil</b> - crude palm oil will be separated by a sieve to separate sand and impurities from crude palm oil. Then sent to the oil reservoir to be sent to through a sand separator system torque again and to the oil separator machine. The oil floating on the top will be sent to storage tanks for oil separation, purification, and drying by vacuum system. Then the oil is sent to storage tanks waiting to be distributed. The oil in the bottom is returned to the tank for a three-phase separation: oil, water, and fiber then returned to the storage tank to repeat the above steps.</p>
	<p><b>Separating palm fiber and cracking kernel</b> - the palm fiber, palm kernel from the extractor will be transported into fibers separator using air suction. Fiber is fed as fuel for the Boiler. The palm kernel is dried in silos then sent to grain crackers to separate the palm kernel and Palm Kernel Shell. The small palm kernel that is still mixed with the shell will be separated again by a separator. The specific gravity of palm kaolin will be transported to a separate tank for distribution. The palm kernel will be sent to the drying process and stored in silos to await distribution.</p>
	<p><b>Extracting oil from palm empty fruit bunch</b> – the empty bunch will be forwarded to the extraction process with the crude palm oil flowing to the tank to extract sand. It then will be sent to be cleansed.</p>
	<p><b>Power plants</b> - palm fiber from the production process will be transported to be used as a fuel to produce steam that will be converted into electrical energy for propulsion machinery on the production line.</p>

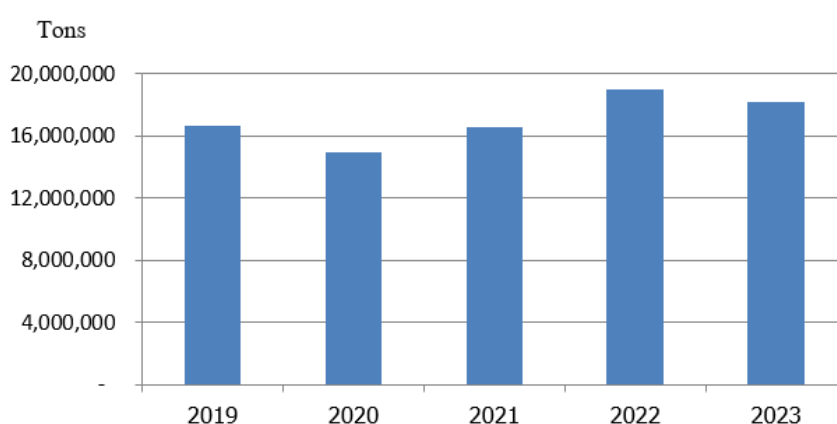


## Market condition of crude palm oil

### 1) Situation of the Industry

Crude palm oil and palm kernel is agricultural products. The price mechanism is determined by demand and supply. The major factor affecting the supply is the weather which has a direct impact on the amount of palm oil and other vegetable oils in the market. Demand is determined by various industries, including energy, which increases according to the population. In addition, the economic growth of various countries affects the quantity of consumption as well as the tax barrier used by large importing countries such as India and China have a direct impact on the demand for consuming palm oil and vegetable oil as well.

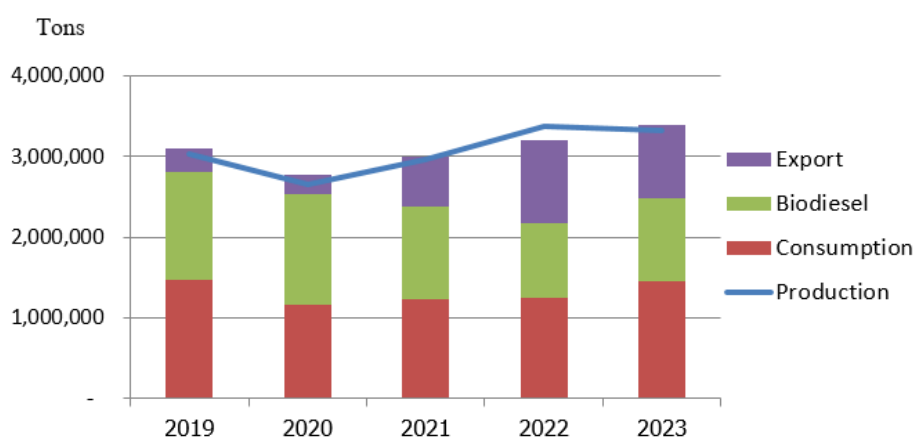
**Graph 2 Amount of palm fruit bunches used in palm oil production in 2019 to 2023**



Reference: Department of Internal Trade, Ministry of Commerce

The amount of produced Crude Palm Oil in Thailand would be in the same direction as the amount of palm fruit used in produce crude palm oil. In the past, the demand for crude palm oil was used in many consumer products.

**Graph 3 Total crude palm oil production in country compared to domestic demand and export.**



Reference: Department of Internal Trade, Ministry of Commerce



In the past, the crude palm oil quantity and the demand for crude palm oil shown that there was oversupply, requiring exports to balance supply and demand. But with the price mechanism of crude palm oil that makes the domestic price higher than the world market. This is due to various government policies to help absorb excess supply, such as the Crude Palm Oil Purchase Project from the Electricity Generating Authority of Thailand. Causing some periods to not be able to export to compete with the world market

For the year 2023, Thailand exported a large amount of crude palm oil at the beginning of the year. This is due to high stock levels and the price of crude palm oil in the country being lower than the world market. As a result, Thailand's crude palm oil stock levels dropped sharply, together with concerns about the El Niño phenomenon that affected the amount of production. Even though, the El Niño phenomenon was less severe, it has affected the amount of Thailand's palm fruits released into the market less than expected, especially in Chumphon Province where the proportion of palm fruit quantities has decreased quite significantly compared to other provinces. This caused the domestic price of crude palm oil to increase and be higher than the world market. However, the supply of crude palm oil was still sufficient to meet the domestic demand. In addition, the distribution of monthly palm fruit quantities in 2023 was quite consistent throughout the year (except during the first quarter when there were clearly more palm fruits released into the market than other periods of the year) encouraging competition in buying palm fruits at a high price. Also, with the cost of palm fruits was higher than the price of crude palm oil in the world market, this has resulted in a clear slowdown in crude palm oil exports since the second quarter of 2023.

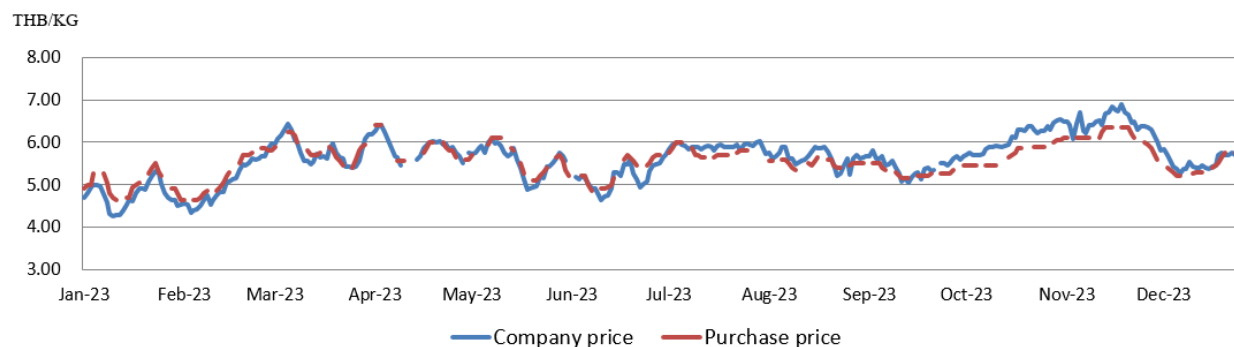
## 2) Competition

The palm oil industry is directly related to the use of fresh palm fruit. Thus, there are 2 types of competition in the industry; the competition to purchase raw materials from palm growers to be used in crude palm oil mill and the competition for the sale of palm oil and palm kernel to customers. The competition for the purchase of raw materials is more violent than the competition in the sale of palm oil and palm kernel.

### Competition in purchasing fresh palm fruit

The competitors of the Company in purchasing palm fruits are palm oil mills located close to the CPO mill of the Company. The palm fruit harvested from palm oil tree should be processed within 24 hours in order to get good quality on CPO. The Company has good capability to access the palm growers products with effective administration by using information technology to assist in the management and storage of agricultural and purchase partner, creating a good relationship with large palm growers and the trading points to continuously provide feedstock to the Company including the development of the continuous oil palm cultivation support for small palm growers in the community so that small palm growers can reduce costs and increase productivity. As a result, quality and quantity raw product being fed to the Company, will have to adjust the price of palm fruit in accordance with the rate of extraction of crude palm oil at the production facilities to encourage small palm growers to submit quality fruit into crude palm oil production.

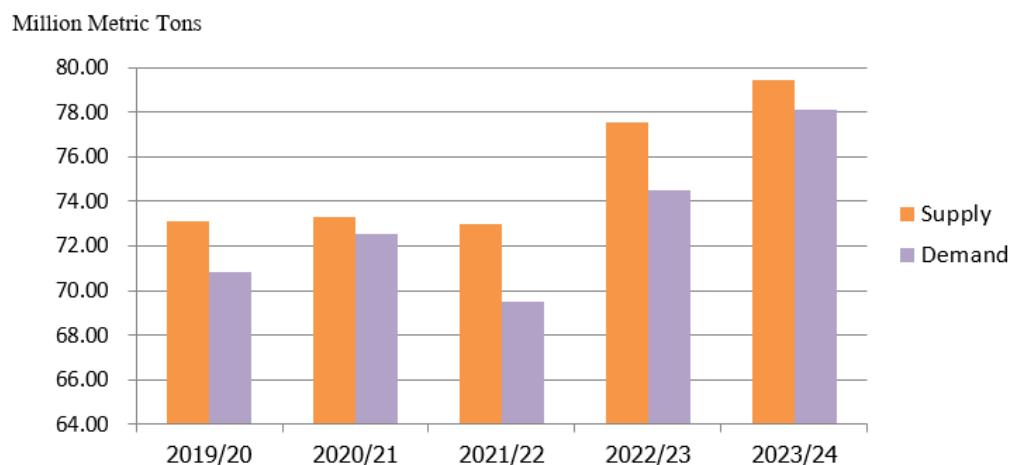


**Graph 4 Price of palm fruit of the group compared to the purchase price of the palm fruit**

Reference: Department of Internal Trade, Ministry of Commerce

#### Demand and supply of palm oil overview

For palm oil production in the world market is likely to continue increasing in every year. The average growth rate is 2.14 but if looking at the annual palm oil yield, there is fluctuation in volume decrease in some year due to the quantity of fresh palm fruit that would launch to the market are depends mainly on the climates. Moreover, there are some other factors such as palm growers's care of fruit, the age of the palm and replacement of planting involved resulting in the supply of palm oil unstable while demand is increasing. But in the year 2021, demand decreased due to coronavirus epidemic as the year 2020.

**Graph 5 The amount of palm oil produced and the use of palm oil in the world market.**

Reference: Foreign Agricultural Service, US Department of Agriculture as January 2024

**Table 1 Production of plant oil in the world vegetable oil market**

Types of oil	Production and proportion in 2023	
	Productions (million tons)	Percent
Palm oil	79.46	35.54

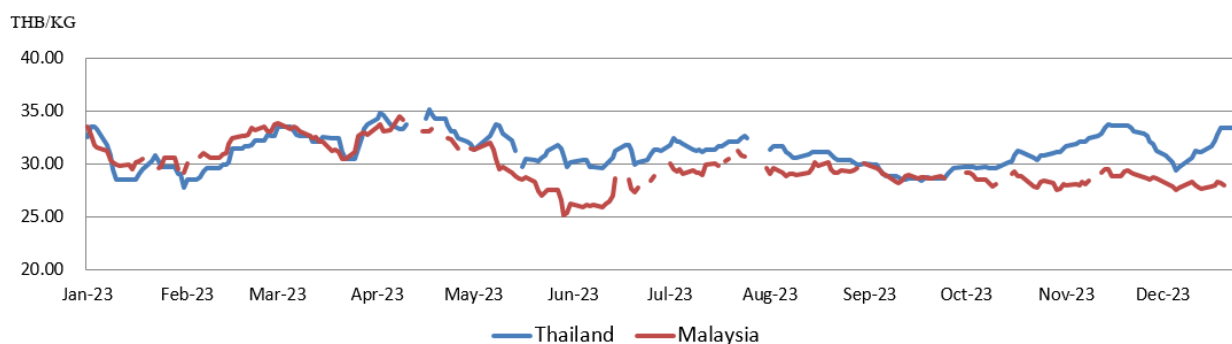


Soy oil	61.93	27.70
Rapeseed oil	33.20	14.85
Sunflower oil	22.05	9.86
Kernel palm oil	9.03	4.04
Peanut oil	6.34	2.84
Cottonseed oil	4.94	2.21
Coconut oil	3.76	1.68
Olive oil	2.89	1.29
<b>Total</b>	<b>223.60</b>	<b>100.00</b>

Reference: Foreign Agricultural Service, US Department of Agriculture as January 2024

In normal condition, the price of crude palm oil both in domestic and international will be mainly determined by Malaysia's market price. However, currently in Thailand crude palm oil is still be imported product controlled causing domestic crude palm oil price had different from Malaysia's market price. Especially, from the year 2015 to 2020 with government policy intervention such as the proportion of merging palm oil into biodiesel, the purchase of CPO from the Electricity Generating Authority of Thailand including the competition of extraction plant. The tendency of the selling price of crude palm oil in Thailand and Malaysia still goes in the same direction. The fluctuation of crude palm oil price depends on many factors, for example, the unstable of palm fruit, economics and the fluctuation of crude oil price in the global market.

**Graph 6 Averaged CPO price compared with Thailand and Malaysia**



Reference: Department of Internal Trade, Ministry of Commerce

At the beginning of 2023, Thailand had high crude palm oil stock levels and domestic crude palm oil prices were lower than the world market. This caused a large amount of crude palm oil to be exported and the stock levels dropped sharply. As a result, the domestic price of crude palm oil increased and was higher than the world market. However, during the second quarter, the price of crude palm oil in the world market had a declining trend due to the substantial increase in soybean production in Brazil. This made the price of soybean oil to be lower. In addition, there was a problem concerning the stability of the banking system and concerns about the economic recession of the United States, which caused the price of petroleum to fall as demand decreased. Nonetheless, when entering into the 3rd quarter, the price of crude palm oil in the world market



returned to rise from concerns about the weather that may become arid due to the El Niño phenomenon. This may result in a decrease in the amount of produce before the prices became relatively stable for the rest of the year due to seasonal increases in production in Indonesia and Malaysia. However, the demand for palm oil decreased due to the economies in many countries had not recovered as much and concerns about the possibility of global economy slowdown. Overall, in 2023, the price of crude palm oil in the country was higher than the world market and moved in the same direction.

### 3) Domestic market

Palm oil industry is one of the important industries in Thailand. Most of the domestic entrepreneurs will mainly produce for domestic palm oil sales due to lots of demand consumption and energy consumption but the domestic demand was lower than the amount of palm oil produced.

For the domestic market, the target market of domestic palm oil is the food industry. As for the price of crude palm oil in Thailand in normal conditions, it is mainly based on the price in the Malaysia market including demand and supply in Thailand which the major factor affecting as following

- Price of substitute vegetable oil such as soybean oil
- Consumption demand and amount domestic palm oil produced
- Weather conditions which affect the production and price of the palm fruit that launch to the market
- Other policies such as biodiesel blending policy, export tariff, etc.

### 4) International market

U.S. Department Agriculture is a government department of the United State which collects data of global palm oil producing. In 2023 the world exporting of palm oil had amount approximately 50.55 million tons per year. Indonesia is the world's largest producer and exporter of palm oil which has exporter market share around 55.78 percent followed Malaysia which has exporter market share around 32.44 due to both of these mentioned countries has a suitable climate for planting palm, the palm for planting are good varieties result in giving high production and received good support from the government. While most of the palm growers in Thailand is a minor producer and there are not much in the industry, makes the quality of palm and production per Rai lower than the two largest producers, resulting in less remaining quantity from domestic consumption when compared to two main producers.

**Table 2 Major palm oil exporting countries**

Contries	Million Tons				
	2019/20	2020/21	2021/22	2022/23	2023/24
Indonesia	26.25	27.32	22.32	28.08	28.20
Malasia	17.21	15.88	15.53	15.36	16.40
Khulalumper	0.76	0.78	0.79	0.86	0.88



Contries	2019/20	2020/21	2021/22	2022/23	2023/24
Papua New Guinea	0.70	0.75	0.83	0.80	0.80
Colombia	0.61	0.45	0.45	0.43	0.68
Other	2.83	3.36	4.05	3.87	3.60
<b>Total</b>	<b>48.36</b>	<b>48.54</b>	<b>43.97</b>	<b>49.39</b>	<b>50.55</b>

Reference: Foreign Agricultural Service, US Department of Agriculture as January 2024

Although Thailand was the third-largest crude palm oil producer but compared to Indonesia and Malaysia, we still produce significantly less than them. The consumption of Thailand was lower than the amount of palm oil produced, causing crude palm oil exports.

### 3. Production and Distribution of electricity

#### 3.1 Product Characteristics: - Production and distribution of electricity

The Company has established VG Energy Co., Ltd., a subsidiary with the Company holding 100% share, to produce and sell electricity from alternative energy to be distributed to the public sector; the Provincial Electricity Authority as per the policies to support the production of electricity from alternative energy. Currently, the Group's operating 2 power plants producing electricity from biogas with the generating capacity at 8.4 MW in Chumphon Province. The biogas is from the waste water from the extraction process of crude palm oil in the crude palm oil mill, which contains organic compounds decomposed by biological fermentation under oxygen-free conditions in order to obtain methane, biogas that is qualified to be used as fuel in power generation operations. VG Energy has a power purchase agreement with the Provincial Electricity Authority for the two power projects from biogas and has been selling power commercially since March and May 2011, respectively.

#### 3.2 Production and Distribution of electric energy from biogas

VG Energy Co., Ltd. is in the business of electricity from biogas production and sale in 2 projects with the total capacity of 8.4 MW. VG Energy Co., Ltd. has entered into 2 power purchase agreement with the Provincial Electricity Authority the subject matter of the power purchase agreement (PPA) between VG Energy Co., Ltd. and Provincial Electricity Authority can be summarized as follows:

Project Name	Biogas power plant project Sapanan subdistrict, Thasae district, Chumphon	Biogas power plant project Thung Kha subdistrict, Muang district, Chumphon
Contract number	VSPP-PEA 092/2551	VSPP-PEA 093/2551
Signing Date	27 November 2008	18 December 2008
Contractual volumes	4.5 MW	2.5 MW
Generating capacity	5.6 MW	2.8 MW
Pressure Level	22,000 Volts	22,000 Volts

<b>Commercial operation date (COD)</b>	10 May 2011	10 March 2011
<b>Power purchase point</b>	29 Moo. 3, Phetkasem Road, Sapanan subdistrict, Thasae district, Chumphon 86140	170 Moo. 6, Phetkasem Road, Thung Kha subdistrict, Muang district, Chumphon 86100
<b>Duration of contract</b>	5 years and continuously for 5 years until the agreement is terminated	

**1) Biogas power plant projects, Sapanan sub-district, Tha Sae district, Chumphon province**

Biogas power plant project, Sapanan sub-district, Tha Sae district, Chumphon province has generating capacity of 5.6 MW, is located at No. 29 Moo 3 Phetkasem Road, Sapanan sub-district, Tha Sae district, Chumphon province 86140 on the plot of land with area of roughly 43,000 M<sup>2</sup> meters of land being a plot with lease rights over land for the purpose of producing electricity from biogas for the Company. The project Commercial Operation Date (COD) was May 10<sup>th</sup>, 2011



**2) Biogas Power Plant Project, Thung Kha sub-district, Muang district Chumphon province**

Biogas Power Plant in Thung Kha sub-district, Muang district Chumphon province project has the generating capacity at 2.8 MW is located at No. 170 Moo 6 Phetkasem Road, Thung Kha sub-district, Muang district, Chumphon province 86100 with the area of approximately 47,200 M<sup>2</sup> meters of land being a plot with lease rights over land for the purpose of producing electricity from biogas for the Company. The project commercial operation date was March 10<sup>th</sup>, 2011



**Details of the biogas power plant projects**

Project Name	<ul style="list-style-type: none"> <li>● Biogas power plant, Sapanan sub-district, Tha Sae district, Chumphon province project</li> <li>● Biogas Power Plant, Thung Kha sub-district, Muang district Chumphon province project</li> </ul>
Project Location	<ul style="list-style-type: none"> <li>● 29 Moo 3 Phetkasem Road, Sapanan sub-district, Tha Sae district, Chumphon province 86140 deemed by the Company to be on a high ground with no risk of flood and there has never</li> </ul>



	<p>been flooded.</p> <ul style="list-style-type: none"> <li>170 Moo 6 Phetkasem Road, Thung Kha sub-district, Muang district Chumphon province 86100 deemed by the Company to be on a high ground with no risk of flood and there has never been flooded.</li> </ul>
Generating Capacity	<ul style="list-style-type: none"> <li>Sapanan Biogas power plant generating capacity is at 5.6 MW.</li> <li>Thung Kha Biogas power plant generating capacity is at 2.8 MW.</li> </ul>
Project Detail	<p>Biogas power plant producing electric from waste water and residues from processing crude palm oil. The Group's Aims to take advantage of waste in the form of renewable energy by putting the waste through a treatment system to produce biogas to be used as fuel for electricity sold to the Provincial Electricity Authority. Additionally, the program can also help reduce the emission of carbon dioxide and methane into the atmosphere, a major cause of global warming. The materials and technology used in the production process:</p> <ol style="list-style-type: none"> <li>1. Waste water from palm oil (POME),</li> <li>2. Treatment type high performance A + CSTR, A + UASB and A + HCSR</li> <li>3. Biogas Engine</li> <li>4. Electrical distribution system</li> </ol>
Technology	<p>The working principle of the Production system starts with the production of raw materials; waste water and decanter cake from crude palm oil going through closed treatment in the Appropriate Completely Stirred Tank Reactor and Appropriate Upflow Anaerobic Sludge Blower, and Appropriate High concentration Sludge Reactor, respectively. The biogas produced would be going through removal of water and hydrogen sulfide (H<sub>2</sub>S) using cleaning bio-Filter before being used as fuel to produce electricity by using Biogas. Engine to produce supplemental electricity to be sent to the transformers and Provincial Electricity Authority distribution system.</p>

For the operation and maintenance of power plants, the Company has entered into a contract with Souer Company Limited to provide Operation and Maintenance( O & M) service for this project area for the biogas engine for a period of 59,999 hours of running after project construction completion with the detailed scope of work; operation, monitoring, and controlling the capabilities to produce the amount of electricity according to the contractual terms and monitoring plan for maintenance of biogas plants to prevent the disruption of production efficiency.

**The revenue and volume of the Group for power generation and distribution business can be summarized as follows.**

Product Category	For the fiscal year ended					
	31 Dec 2023		31 Dec 2022		31 Dec 2021	
	Income (Million baht)	volume (KWh)	Income (Million baht)	volume (KWh)	Income (Million baht)	volume (KWh)



<b>Total revenue from sales of electricity</b>	25.15	5,209,490	32.99	8,364,960	31.93	9,673,333
Average electricity price	4.83		3.94		3.30	
Basic electricity tariff (Baht per unit)	4.22		4.22		4.22	

### 3.3 Distribution and Market – Production and distribution of electricity

Business of production and distribution Electricity from biogas is less of risk in demand side. Because the demand is continually increment.

The Company is committed to be a leader in the palm oil business. It also takes into account the management of raw materials to maximize benefits and take into account the possible environmental impacts of waste and residues from the production process of crude palm oil. The Company use high technology for high efficiency in electricity production. The Company's power plant projects efficiently generate electricity, distribute constantly and stably.

The government's policy is to support the generation and distribution of electricity from renewable energy by small-scale power producers (VSPP), which will purchase all electricity generated from very small power producers that have electricity agreements with PEA. The power plant of Company is a risk of low power distribution to PEA. And future power plants will not affect the Group's sales volume.

### 3.4 Raw Material Procurement - Electricity production and distribution business

Due to the power generation of the Group being from the waste from the production of crude palm oil, including waste water from the crude palm oil production to produce bio-gas and Slough from palm oil production as well. The Group has strategy for the raw material procurement from various sources to be used for the production of crude palm oil in the mill for the whole year. Additionally, the group also recognizes the use of raw materials to achieve the maximum benefit and the plant was designed to meet the crude palm oil extraction plant production capacity of the Company.

### 3.5 Production - Electricity production and distribution business

#### Production capacity and utilization

The generating capacities of the 2 biogas power plants are as followed.

<b>Project name</b>	<b>Production capacity</b>	<b>Commercial operation date (COD)</b>
Biogas power plant project Sapanan subdistrict, Thasae district, Chumphon	5.6 MW	10 May 2011
Biogas power plant project Thung Kha subdistrict, Muang district,	2.8 MW	10 March 2011



Project name	Production capacity	Commercial operation date (COD)
Chumphon		

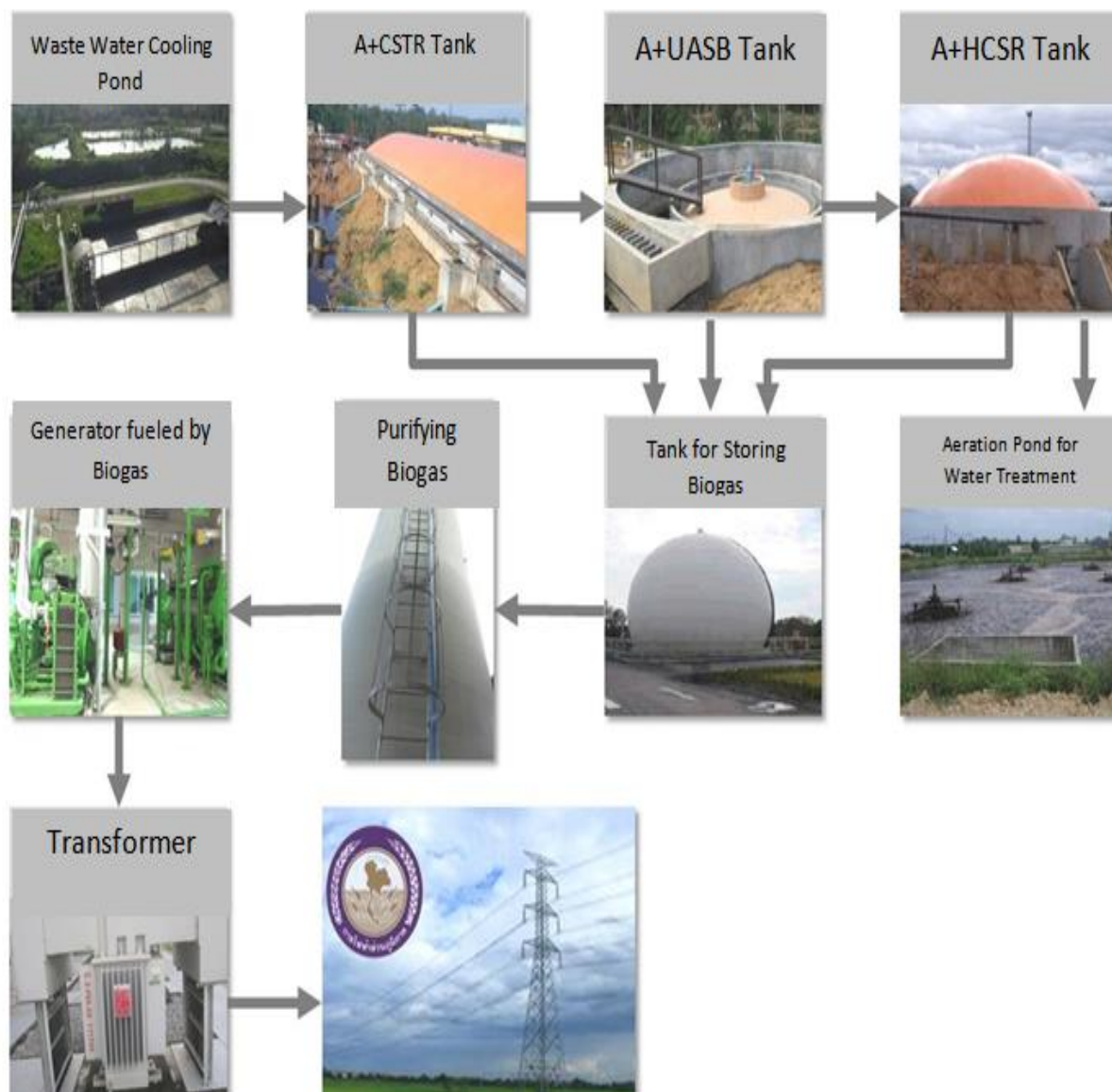
The installed capacity of the two power plants with a capacity utilization rate of the production is summarized as follows:

Items	Thasae project			Thung Kha project		
	2023	2022	2021	2023	2022	2021
Ability to produce electricity (kilowatt - hours per year)	49,056,000	49,056,000	49,056,000	24,528,000	24,528,000	24,528,000
The amount of electricity produced. (kilowatt - hours per year)	5,799,100	9,311,118	10,608,322	0	0	0
The rate of capacity utilization (%)	11.82	18.98	21.62	0	0	0

Note: Thung Kha Project had not production. Because the power plant closed due to have no raw materials.



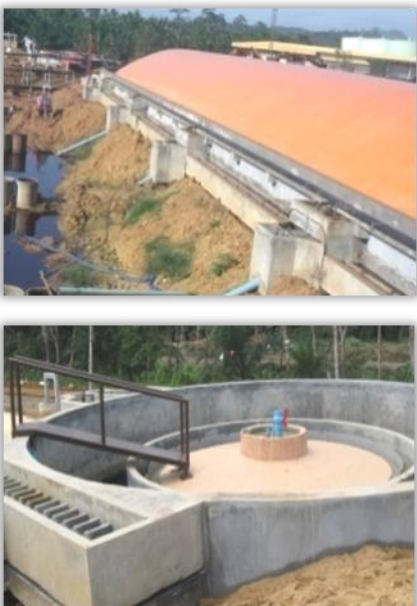

**Production of electricity from the waste water from the crude palm oil extraction process**






Reference: Company

### Details of Production Process

Raw materials for biogas production include waste water and decanter cake extracted from the Company's CPO with the total capacity of 180. Tons of palm fruit per hour.

Figures of production process	Biogas production processes
	<p>Waste water from the crude palm oil extraction process is sent into the Cooling Pond to reduce the temperature and it is the primary waste water management, that is to separate waste water and suspended solids; sand, gravel, etc.</p>
	<p>Anaerobic Wastewater Treatment process due to water coming in the system being highly concentrated so it needs to be treated by A + CSTR (Appropriate Completely Stirred Tank Reactor), which is responsible for trapping sediment deformation and degradation of organic matter in wastewater and sludge and slurry as organic matter into biogas. The wastewater that has gone through the A + CSTR treatment system will have a low concentration. It then passed into the treatment system, an A + UASB (Appropriate Upflow Anaerobic Sludge Blanket) for treatment of wastewater with left over biodegradable and not very high concentration to end up with the high quality enough to be manipulated by the next treatment system.</p>
	<p>The process of managing waste and sludge from the plant using The A + HCSR (Appropriate High concentration Sludge Reactor) treatment system, which completely manages water and waste resulting from the crude palm oil production mill. The system will have the sludge from A + CSTR and A + UASB mixed with - decanter cake from crude palm oil extraction mill in order to enhance the biogas degradation. The sludge left over from the treatment plant would have low COD and can be used as fertilizer for the palm garden. The wastewater from the treatment would be sent to be treated in the aeration pond. The waste water that has gone through</p>

Figures of production process	Biogas production processes
	<p>plant treatment would be to water the factory palm garden.</p>
  	<p>Biogas production will be directed to the elimination and removal of hydrogen sulfide (<math>H_2S</math>) system using a clean biogas Bio-Filter before being used as fuel to produce electricity in the Biogas Engine with biogas being ignited mixed with the air in the cylinder. Thermal energy from the combustion is converted into mechanical energy to spin the generator to produce electricity for the transformer and connected to the Provincial Electricity Authority distribution system further</p>



## 1.3 Shareholding Structure

### (1) Registered and Paid-In Capital

The company has a registered capital of 940,000,000 Baht, with 940,000,000 shares at 1 Baht par value. The paid-in capital is 940,000,000 Baht.

### (2) Restrictions on Transferring Shares

The shares of the company can be transferred without any restrictions. The transfer must not lead to foreigner ownership greater than 49% of the company's total shares.

### (3) Shareholders

List of top 10 major shareholders in the company:

Rank	Shareholders	On 31 December 2023	
		Number of Shares (Shares)	Percentage
1.	MR. KRISADA CHAVANANAND	241,500,000	25.691
2.	MR. SUTHILAKSH CHIRATHIVAT	108,584,500	11.552
3.	MRS. SUPALUCK TIASEVANAKUL	72,000,000	7.660
4.	MS. KACHIT CHAVANANAND	56,000,000	5.957
5.	MR. VATCHARA CHAVANANAND	40,000,000	4.255
6.	MS. KEM-NGURN CHUTCHAIYUN	24,000,000	2.553
7.	MRS. ANGSA NA WATTHANANUKIJ	24,000,000	2.553
8.	MRS. RATTIYA OEUSOONTHORNWATTANA	24,000,000	2.553
9.	CHAVANANAND HOLDING COMPANY LIMITED	16,000,000	1.702
10.	THAI NVDR COMPANY LIMITED	10,352,792	1.101

## Dividend Payment Policy

The company has a policy of paying no less than 40% of net profit after corporate income tax and legal reserve deductions. Dividend payment also depends on corporate investment plans, liquidity, business plan, as well as binding contractual terms and conditions. The committee may alter the company's dividend payment policy under its own discretion.

The company may pay dividends based on, but not limited, to the following factors:

- Cash level, liquidity, financial position
- Investment expenditures and planning
- Other restrictions on dividend payments



The committee's decision to issue dividend payment must be approved at the Shareholders' Meeting unless the payment is interim dividends, which the committee is authorized to issue while reporting details at the next Shareholders' Meeting.

The background features several large, semi-transparent orange diamonds of varying sizes and orientations, creating a geometric pattern. Some diamonds are solid, while others are outlined.

# **Risk Management**



## 2 Risk Management

### Policy and Risk Management

The company is aware of the importance of risk management. Thus, it has considered various risks that affect the company's operations in all aspects by establishing measures, roles and responsibilities to control and supervise such risks. In 2023, The Company has categorized the risks into 5 areas as follows: Operation, Finance, Legal, Rules and Regulations, Strategy and Information System which is a continuous operation in accordance with the control and risk management measures. This makes the most of the risks is in the medium to low level and is an acceptable risk level. The details in brief are as follows:

1. Operational Risk : Most of which have risk factors from machinery, accidents, and raw material procurement. There are measures to inspect equipment and machine readiness, preparing an operation manual, installing safety equipment to prevent accidents (such as fire) and getting insurance as well as organizing trainings for employees so that production can be continued especially during the season in which a large amount of palm fruits is released into the market, and greater work efficiency created.
2. Financial Risk : This is mainly related to working capital. The company has followed up and supervised working capital as well as holding regular meetings/discussions between the company's executives and financial institutions in order to consider information related to credit limits so as to ensure that the company has sufficient working capital for business going concern.
3. Compliance Risk : From important environmental factors, there are measures to inspect equipment and air quality as well as studying ways to improve or reduce emissions sustainably.
4. Strategic Risk : As the business group of the company will be related vertically, the company has therefore studied the opportunities and possibilities of risk diversification or expanding the business both in a connected way or businesses in other groups that are interesting and worth investing.
5. Information System Risk : This involves computer systems, networks, and databases. There are measures to install protection systems (such as fire, short circuit, internet threats), to check for equipment readiness, and to prepare an emergency plan for the case when being unable to work in the work area. These are for the safety of information, transmission and acknowledgement of information completely and thoroughly.

Anyhow, various risks have been monitored and assessed as well as reviewing and improving risk control and management measures on a continuous basis. However, above risk management is based on current risks. The risk management policy and risk level may be changed in the future according to the situation or other factors that affect the business operation.







## 2.2 Risk Factors

The risk factors listed below are risk factors that the Company deemed that it is significant and it might cause an impact on the financial statement, performance, and the Company's stock value and also significantly relative in the return on investment of the ordinary share of the Company. In addition of the listed risk, there may be some risk factors which still unknown at this time or it is the risk that the Company has considered there was not a significant impact on the performance of the Company, but in the future, these mentioned risks might significantly affect to the statement of financial position and the Company's performance.

### 1. The Risk of the Business of Produced and Selling Palm Oil

#### 1.1 The risk of fluctuating crude palm oil prices

Crude palm oil and Kernel is an agricultural product which the price was determined by demand and supply. The important factors that affect demand and supply are climate conditions which directly affect the amount of crude palm oil and other vegetables oil in the global market. In addition, the economic growth of various countries which consumes vegetable oil and the policy on the import tax rate of the world largest vegetable oil consumer country which is India and China would directly affect to consumer demand of vegetable oil.

Palm oil is currently used as alternative energy. In order to replace the use of fuel or also known as biodiesel makes the price of palm oil as a substitute product is influenced by the movement of crude oil prices in the world market. Therefore, the demand for fuel including factors from alternative fuels such as natural gas prices would inevitably affect the movement of crude palm oil prices as well.

The price of crude palm oil for sale locally and internationally will be based on the trading price at the Malaysian market. But because Thailand currently provides palm fruit as a control product Therefore, the price of crude palm oil in the country may be different from the price in the Malaysian market at certain times. According to the fluctuations in domestic demand and supply. In general, the world market prices and domestic prices will be at a similar level. Except in some cases, for example, the amount of crude palm oil produced in the country exceeds the demand. Or there is a shortage of palm oil in the country, etc

Therefore, if the price of crude palm oil fluctuates according to the decline of the world market price, it will inevitably affect the revenue of the Company. It is expected that the fluctuation of mentioned crude palm oil price will not have a serious effect on the Company because in normal conditions if the price of crude palm oil decreased, the price of raw material which is fresh palm fruit will be decreased resulting in the cost of production also decreased as well.

#### 1.2 The risk of seeking raw materials with appropriate prices

Factors affecting the quantity of raw materials are as follow:

(1) Changing area of land for plantation due to government policies such as fiscal support for renewable energy crop plantation.



(2) Changing weather conditions such as precipitation and droughts which affect the quantity and quality of oil palm collected from the plantations.

(3) Currently, the palm oil crushing mills has a production capacity of extraction higher than palm output greater 1.5 – 2.0 times, making the high competition in purchase of raw materials.

Moreover, a shortage in oil palm supply will lead to intense competition between crude palm oil businesses to acquire the limited raw materials, driving up resource prices and production costs of the Company. This may affect the performance and financial position of the Company.

However, the Company has expanded the purchase points in areas with dense palm plantations in Chumphon and nearby areas, in order to access and increase convenient for palm growers to sell palm to the Company and have plans to expand the purchase points continuously in order to be the main tool for providing increasing quality of palm oil. The Company has a good quality palm project to encourage farmers to cut good quality palm fruits for a better palm oil price. This project will help to promote the overall image stability and sustainability of palm oil industry also be able to compete with other countries. Moreover, the Company has focused on the management of raw material to keep up on the situation such as processing and analyzing information in every dimension to formulate the material strategy by bringing the information systems to support data in all aspect and has established a customer relationship for public relation, understanding, and listening to the suggestion makes the Company gained trust and a good relationship with partners and palm growers

### **1.3 The risk of changing government policies**

From the past, the government has a policy to intervene or announce the price of palm fruit. By advanced pricing for domestic palm oil sales. Including the policy of blending biodiesel into diesel, which will effect the demand for crude palm oil. So, if the government has any policy changes. It may affect the performance and financial status of the Company.

However, the Company has closely followed up the policy of the government in order to be able to adapt to change.

### **1.4 The risk of palm plantation of the company concession area and leased area from government agencies**

In the past 3 years, the Company had 90% of total palm oil purchased from outer. Another is 10% of the total palm oil from palm oil plantation. The concession expired in October 2015 and February 2015, respectively but it was ordered temporarily by the Central Administrative Court to apply for extension of concession area.

If the Company does not receive temporary protection and / or renewal will make the Company must buy palm fruit from all outsiders for use in production. This will lead to higher production costs.

Has been granted of concession, the Company is going to have cost from replant palm. This will take 3 years to start producing and 7-8 years before the palm tree grows to full yield. These risks may affect performance and financial status of the Company.



Nevertheless, the Company has established a system and network to buy palm fruit from outside, both from farmers and operators from expanding palm collecting point to cover palm plantation in Chumphon province, including to the application of information systems.

### **1.5 The risk of depending on large client**

The Company received approximately 33% of total revenues from selling products to a local crude palm oil refinery that was a big customer during the past 3 years. So the Company may risk if losing the large clients may affect the Company's performance and financial position.

The Company is dedicated to control its product quality to be of international standards, establishing competitive prices and implementing effective logistics to satisfy customers' demands. This led to long-term, positive relationships with clients. The commodity nature of crude palm oil also allows it to be swiftly sold to other clients if the large client decide to terminate purchases from the Company.

### **1.6 The risk of substitute products**

Substitute products of palm oil include soybean oil, sunflower oil, coconut oil, olive oil, corn oil, and rice bran oil. If customers shift their preferences to these substitutes, the consumption of the Company's key product will decrease.

However, each vegetable oil often has different properties thus, some industries or products required to use palm oil. In addition, palm oil can also be used in various industries such as animal feed and biodiesel.

### **1.7 The risk of sale revenue volatility between accounting years**

The revenue from crude palm oil sales may experience volatility due to varying oil palm production from seasonal effects. In usual circumstances, oil palms are usually harvested during March-May, yielding high revenues for the Company during these periods. The varying profit and sales figures in each quarter of the year are natural characteristics of agricultural businesses.

### **1.8 The risk of exchange rate**

In the year 2023, the Company exported by 44% of total revenue from crude palm oil. The export price will be the reference price from the world market in US dollars. As a result, the exchange rate fluctuation between Thai Baht and US Dollar may affect the Company's performance and financial status of the Company.

However, the Company has planned the hedging foreign exchange contracts (Forward contracts) to prevent the impact on the Company's profits from the exchange rate fluctuations.

## **2. The Risk of Electricity Generation and Distribution Business**

### **2.1 The risk of the electricity selling price not reflecting the actual costs of the company**

The Company engaged in a PPA contract with the PEA, under the category of VSPPs for renewable energy generation. The electricity selling price based on the contract are set to reflect changes in fuel price, interest



rates, exchange rates, etc. These factors, however, may be irrelevant to the sources of the Company's costs, leading to lower profitability and impacting the Company's performance and financial position.

## **2.2 The risk of raw material for generating electricity**

A raw material for generating electricity is biogas from waste water released from the crude palm oil production process. Shortages in oil palm supplies used to produce crude palm oil will hinder the production process, which in turn reduces the byproducts used as raw materials for generating electricity. This may decrease the Company's revenue from electricity distribution.

The Company is dedicated to improving the stability of its raw material supply, utilizing a sustainable strategic approach to raw material management to maximize the effectiveness of its businesses in all market conditions. The biogas power plants also serve as a sustainable business supporting the crude palm oil production facilities, which require treatment of the waste water released from the production process.

## **3. Other Factors**

### **3.1 Interest Rate Risk**

On 31st December 2023, the Company has total liabilities amount of 215.31 million Baht which is a short term loan from financial institutions of 161.42 million Baht. If interest effective rates rise, it will raise interest burden, and effect to performance and position of the Company as well.

### **3.2 The risk of Production and Transportation Problems**

The Company's business performance depends on sustainable production and effective logistics, both during delivering raw materials to the facility and transporting the crude palm oil to the clients and/or port of shipment. This places the Company at risks from production stoppages or unanticipated accidents halting the production and logistics process. Inability to promptly respond to these incidents may affect the performance and financial position of the firm.

Moreover, production and transportation problems may negatively affect the electricity generation business of the Company, since the raw materials for power generation are biogas produced from the crude palm oil production's waste water. Other factors that may hinder the electricity generation business include staff performance, power plant technology, and equipment quality. Inability to maintain power plant effectiveness will hinder the performance of the Company's business.

The Company has 4 policies to prevent production stoppages. The first policy is the use of the Preventive Maintenance System (PM) to inspect and maintain machinery, reducing the risks of breakdown during operations. The second policy is to halt production during palm oil off peak seasons to hold a facility overhaul, preparing necessary machinery and equipment for supporting upcoming peak seasons of harvest. The third policy involves data collection on production stoppages and close inspection to promptly and effectively respond to the situation. Should a facility experience production stoppage, the Company has a second facility to compensate for the lost productivity. This is because the Company has 2 crude palm oil refineries located in different areas. The last policy



involves having backup machinery and equipment to prevent production stoppages. The similar technological designs of the two crude palm oil refineries allow identical machinery and equipment to be applied to both facilities.

In terms of logistics, the Company continuously collaborates with numerous contractors, ensuring adequate number of trucks for each product delivery. For palm oil exports, the Company calculates a sufficient or slightly higher number of trucks needed to transport the goods. This is to ensure that the products are punctually transported regardless of spontaneous issues or incidents. The Company established Vichitbhan Logistics Ltd to transport crude palm oil for the Company, supporting sustainable growth.

Moreover, the Company utilized the Automation and Monitoring System to control production processes of crude palm oil refineries and biogas power plants with automated computer systems. The system sends signals from designated areas requiring control to the SCADA system, analyzing and presenting results on the monitor for the controller to evaluate and take necessary actions promptly. The system reduces the risk of human error. The Company also has annual facility shutdown plans to overhaul all machineries and equipment, preparing them for long-term, effective performance.

### **3.3 The risk of the Company's Major Shareholders Holding Greater than 50% of Total Shares**

On 31st December 2023, the Chavananand group held a total of 553,687,900 shares in the Company, equivalent to 58.90% of total shares. This grants the Chavananand group the authority to control most of the decisions made in shareholder meetings, including board member appointments and other agendas requiring majority approval. Except legal topics or rule required the authority to make decision approval from 75% of shareholders. This may create a risk for other shareholders who do not have sufficient voting rights to request for inspection and balance of power on topics proposed by the major shareholders.

To ensure transparency and establish a system of checks and balances, the Company organized a management structure consisting of the Board of Directors, the Auditing Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Executive Committee. Committee members are highly qualified, with each of the three management structure constituents holding clear scope of authority and responsibility. Transaction reports between committees, major shareholders, executives, and personnel with possibilities for conflicts of interest are required. The Company also appointed 3 independent parties to be a part of the Auditing Committee, with the responsibility to inspect, balance decision-making authority, and consider the approval of matters before presenting to shareholders. The Company also requires an internal auditing committee to manage the business' internal control system.

The background features several geometric shapes in two shades of orange. In the top-left, there is a large solid orange square and a smaller solid orange triangle. In the top-right, there is a medium-sized hollow orange diamond. In the bottom-left, there is a medium-sized hollow orange diamond. In the bottom-right, there is a large solid orange square and a medium-sized solid orange triangle. The text is centered in the middle of the page.

# **Driving Business for Sustainability**



## 3 Driving Business for Sustainability

### 3.1 Sustainability Management Policies and Goals

The Company's sustainable development policy was established on the basis of vision, mission and a comprehensive business strategy in the economic, social and environmental side to develop business operations with sustainable management guidelines and able to respond to the expectations of all stakeholders in all business processes. The company has established policies and guidelines on sustainability, the substantives are as follows:

- Committed to being a company that produces crude palm oil with quality and efficiency that sustainable growth under the corporate governance and operates business in accordance with the good corporate governance principles.
- Focus on developing all business processes with social and environment responsibility through cost effective resource management and effective management of social and environmental impact.
- Focus to improve engagement with stakeholders in all sectors by considering the principles of human rights according to sustainable development guidelines.

The company sets sustainable goals that cover the economic, social and environmental until 2023 as an operating guideline to be in accordance with the vision, missions and business strategies to respond to the expectations of stakeholders with equilibrium as follows:

#### **1. Professional Personnel**

##### Sustainability goals

Leadership in business under professional management and operations.

##### Operation

With the performance of executives and personnel who have knowledge and abilities in the production process until the export process for customers to be certified according to production standards including honesty, personnel operate in accordance with the code of business conduct. The company did not find any complaint about code of business conduct, unity as one and personnel engagement rate increasing each year.

#### **2. Efficiency and Effectiveness**

##### Sustainability goals

Creation of efficiency and maximum efficiency in the production process

##### Operation

Supervision of the production process under the quality assessment of crude palm oil, the quality standards are set for efficiency and effectiveness with the assessment score not lower than the standards set by the company.



### **3. Maximum Satisfaction**

#### Sustainability goals

Creating maximum satisfaction for customers.

#### Operation

Fully in service to meet the needs and create increasing customers satisfaction each year.

### **4. Production Cost Control**

#### Sustainability goals

Appropriate production cost control

#### Operation

The production process is adjusted to be suitable for the production cost that is worth the standard and the use of sufficient resources including the use of renewable energy which can help to reduce greenhouse gas emissions.

### **5. Technology**

#### Sustainability goals

Focus on continuous improvement both of production technology and personnel

#### Operation

Ready to change quickly and add value to create something new, develop innovations that support the use of resources sufficiently, continually developing both production technology and personnel to be suitable for the era and to develop appropriately in various fields.

### **6. Environment and Community**

#### Sustainability goals

Friendly to the environment and community

#### Operation

Think neatly together in the work of a certified production environment and consider the social impact and environment by designing the production process to reduce energy consumption appropriately.

## **(1) Management of impact on stakeholders in the business value chain**

The company reviews human rights policy in accordance with international principles including examining the risk issues all around human rights, it consists of defining the scope of the audit, identifying relevant human rights issues, analyzing the severity of impacts and potential opportunities, and establishing measures to mitigate the impact. Monitoring and reviewing human rights performance and rehabilitation to alleviate those affected by the company's activities. The company assesses human rights risks covering activities throughout the supply chain and





covering human rights in all 6 areas: labor right, community right, supply chain, safety, environment and consumer right. From the preparation of measures to control and mitigate potential impacts and there was an assessment of the risks incurred, it was found that the company has a low to moderate level of community rights risk with issues related to safety as follows: driving accident issues, chemical use issues, pollution control, waste management and the issue of crude palm oil spill.

The company has established measures to control and mitigate The impact of such risk issues for those involved to strictly follow.

## **(2) Sustainability management in environmental dimensions**

### **2.1 Environmental impact – Crude palm oil production and distribution business**

The group of companies has clear policies and practices for environmental care and conservation to ensure that the company's production process will have the least impact on the environment by focusing on continuous management that starts with the personnels and executives of the company to have ethics in their operations and management. In the past, the company was determined to reduce the impact on the environment. with continuous investment and improvement of pollution management system from production such as Investing in a dust collection system and the device measures the excess air (Oxygen Analyzer) generated by the combustion of the boiler in the crude palm oil extraction plant and ready to invest on solving environmental problems arising from the production process, cultivation and other management systems and wastewater generated from the production process. The group of companies has invested in a technology that takes wastewater and crude palm oil production waste through fermentation to produce biogas and used as fuel to produce electricity. For the remaining water from the biogas production process that still contains organic substances that are beneficial to the oil palm trees, the company therefore uses such water to sprinkle the oil palm trees in the group of companies' plantations.

The construction of a crude palm oil extraction plant is considering the utilization of waste from the production process for maximum benefit and reduce pollution that may occur like a boiler where palm fibers are used as fuel for steam production and converted into electrical energy for driving machinery in the production process.

### **2.2 Environmental impact – Electricity generation and distribution business**

The company is aware of the environmental impact. Therefore, environmental management has been undertaken to have international environmental management standards and in order to create appropriate rules and procedures for environmental stewardship followed by the law and can be audited according to standards on the prevention and correction of environmental impacts (Initial Environmental Examination: IEE). This is one of the standards that plays a role in controlling environmental quality impacts from business operations and must be completed before the start of construction of a power plant project strictly by implementing measures to reduce environmental impacts and environmental quality monitoring measures and continuously report the results of such operations to relevant organizations.



The implementation of environmental impact mitigation measures as set in the IEE report are: physical resources, biological resources, and value of human use and quality of life by complying with the conditions received during the construction until the current operating period and continue to develop more effective measures to reduce environmental impacts by emphasizing the policy of pollution prevention.

### **(3) Sustainability management in social dimensions**

#### **3.1 Social policy and practice (Corporate Social Responsibilities) of the company has 6 items as follows:**

##### **1) Corporate governance**

The company is committed to conduct business in accordance with the laws and regulations related to business with honesty, fairness, transparency, disclosure of important information and can be examined, which the company will consider to the benefits and impacts on shareholders, customers, business partners, personnels and all stakeholders.

The company gives importance to the adoption of good corporate governance as a guideline for the company's business operations. The company has established a policy on corporate governance of the company. The principles and practices are consistent with the principles of good corporate governance for listed companies in 2012 of the Stock Exchange of Thailand.

##### **2) Conducting business with fairness**

The company is willing to promote free trade, avoid actions that may cause conflicts of interest or infringements of intellectual property rights as well as promoting all anti-corruption actions and fostering social responsibility in every step of production from the beginning of raw material processing until distribution to customers.

##### **3) Human rights and treatment of personnels**

The company gives importance to all personnels and instills them into the company's culture to jointly protect and respect human rights including treating all employees equally and fairly. In addition, the company will provide welfare, safety and hygiene workplace, encourage learning at all levels of the organization and develop skills in all personnels in order to enhance the work of personnels to be professional. The company will set the rules related to taking care personnels in accordance with regulations such as labor laws to ensure that company's personnels will be treated appropriately.



#### **4) Customer responsibility**

The company aims to develop products with quality that meet or exceed customer's expectation under fair conditions by providing information about the product that is correct, sufficient, not exaggerating, and does not use the customer's secrets for their own benefit or misused.

#### **5) Environment and safety**

The company pays attention to the environmental impact in all business processes. The company has managed the use of natural resources for maximum efficiency and reuse by-products or leftovers from production as much as possible in order to make the least amount of waste returned to nature. In the production process, the company will choose a good efficient machine that does not have a severe impact on the environment as well as applying strict rules to focus on the highest safety for life and property used in business operations.

#### **6) Participation in community and social development**

The company promotes the distribution of income to the farmer sector to improve the quality of life of palm farmers to have a better living and help to build a strong economy for communities in Thai society.

### **3.2 Anti-Corruption Policy**

The company gives importance to anti-corruption. The company has announced guidelines for operating in accordance with the anti-corruption policy to ensure that the company has a policy of defining responsibility, guidelines and rules for proper operation to prevent corruption in all business activities of the company and for decision and business operation that may be at risk of corruption are carefully considered and acted upon. The details are as follows.

#### **Guidelines for operating according to the anti-corruption policy**

1. Directors, executives, personnels and subsidiaries of the company are prohibited to take action or accept or support any form of corruption both directly or indirectly by covering all affiliated companies including contractors or other related subcontractors. And requires the implementation of these anti-corruption policies be regularly reviewed, as well as a review of the practice guidelines to be consistent with the policies, rules, requirements, regulations, announcements, laws and business changes.

2. Anti-corruption standard is the part of the business operation and is the responsibility of the board of directors, executives, supervisors, and all personnels at all levels. Suppliers or subcontractors who will be involved in expressing opinions on practices in order to achieve anti-corruption operations in accordance with the established policies.



3. The company has developed measures of anti-corruption in accordance with relevant laws and moral codes by providing a risk assessment in activities related to or prone to corruption and corruption and using it as a guideline for practice for those involved.

4. The company does not act or support bribery in any form. All activities under supervision including control, charity donation, donation to political parties, giving business gifts and supporting activities are transparent and not intended to convince government or private officials to take improper actions.

5. The company provides appropriate internal controls regularly in order to prevent staff being treated inappropriately especially sales, marketing, purchasing.

6. The company provides knowledge on anti-corruption to the board of director, management and staff in order to promote honesty, integrity and accountability in the performance of duties and responsibilities including the media to show the commitment of the company.

7. The company provides a mechanism of reporting the financial status that is transparent and accurate.

8. The company promotes a variety of communication channels so that employees and stakeholders can report suspicious clues with confidence that whistleblowers are protected without being punished, unfair transfer or harassment in any way and including appointing a person to monitor every clue that has been notified.



# **Management Discussion and Analysis**



# 4 *Management Discussion and Analysis*

## Financial Information

### **(1) Financial Statement**

#### **Auditor for the Company's financial statements and consolidated financial statements**

For the year ended 31 December 2023

Miss. Tithinun Vankeo

Certified Public Accountant (Thailand) No. 9432

PricewaterhouseCoopers ABAS Ltd.

For the year ended 31 December 2022

Miss. Tithinun Vankeo

Certified Public Accountant (Thailand) No. 9432

PricewaterhouseCoopers ABAS Ltd.

For the year ended 31 December 2021

Miss. Tithinun Vankeo

Certified Public Accountant (Thailand) No. 9432

PricewaterhouseCoopers ABAS Ltd.

### **(2) Summary of the Audit Report**

#### **1) Summary of the Audit Report as at 31 December 2023.**

The consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Vichitbhan Palmoil Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

#### **2) Summary of the Audit Report as at 31 December 2022.**

The consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Vichitbhan Palmoil Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2022, and its



consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### **3) Summary of the Audit Report as at 31 December 2021.**

The consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Vichitbhan Palmoil Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 21, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).



### (3) Summary of financial statements

#### Statement of Financial Position

Items	Consolidated Financial Statements					
	31-December-23		31-December-22		31-December-21	
	Million	Percentage	Million	Percentage	Million	Percentage
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	1.64	0.23	2.40	0.32	1.34	0.15
Retricted cash at bank	1.50	0.21	-	-	-	-
Trade and other recevables	31.49	4.51	46.21	6.24	62.06	7.12
Inventories	79.69	11.40	62.68	8.47	116.61	13.38
<b>Total Current assets</b>	<b>114.32</b>	<b>16.36</b>	<b>111.29</b>	<b>15.04</b>	<b>180.01</b>	<b>20.66</b>
<b>Non-current assets</b>						
Retricted cash at bank	0.13	0.02	-	-	-	-
Investments in associate	1.55	0.22	1.37	0.19	-	-
Property, plant and equipment	537.16	76.85	604.30	81.66	669.42	76.83
Right-of-use assets	30.18	4.32	8.58	1.16	10.21	1.17
Investment property	1.15	0.16	1.15	0.16	1.15	0.13
Intangible assets	0.90	0.13	1.00	0.14	1.14	0.13
Deferred tax assets	3.02	0.43	3.27	0.44	2.94	0.34
Other non-current assets	10.54	1.51	9.07	1.23	6.45	0.74





<b>Total non-current assets</b>	<b>584.63</b>	<b>83.64</b>	<b>628.74</b>	<b>84.96</b>	<b>691.31</b>	<b>79.34</b>
<b>Total assets</b>	<b>698.95</b>	<b>100.00</b>	<b>740.03</b>	<b>100.00</b>	<b>871.32</b>	<b>100.00</b>



Items	Consolidated Financial Statements					
	31-December-23		31-December-22		31-December-21	
	Million	Percentage	Million	Percentage	Million	Percentage
<b>liabilities</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	161.42	23.10	89.29	12.07	209.58	24.05
Trade and other payables	12.96	1.85	13.86	1.87	11.06	1.27
Current portion of lease liabilities	7.06	1.01	2.54	0.34	2.67	0.31
Current portion of long-term borrowing	-	-	13.87	1.87	29.00	3.33
Income tax payable	-	-	4.83	0.65	5.68	0.65
<b>Total current liabilities</b>	<b>181.44</b>	<b>25.96</b>	<b>124.39</b>	<b>16.81</b>	<b>257.99</b>	<b>29.61</b>
<b>Non-current liabilities</b>						
Lease liabilities	23.91	3.42	5.96	0.81	7.30	0.84
Long-term borrowings	-	-	-	-	13.88	1.59
Retention	0.03	0.00	0.03	0.00	0.03	0.00
Employee benefit obligations	8.74	1.25	11.43	1.54	9.76	1.12
Deferred tax liabilities	1.20	0.17	1.08	0.15	0.98	0.11
<b>Total non-current liabilities</b>	<b>33.88</b>	<b>4.85</b>	<b>18.50</b>	<b>2.50</b>	<b>31.95</b>	<b>3.67</b>
<b>Total liabilities</b>	<b>215.32</b>	<b>30.80</b>	<b>142.89</b>	<b>19.31</b>	<b>289.94</b>	<b>33.28</b>



Items	Consolidated Financial Statements					
	31-December-23		31-December-22		31-December-21	
	Million	Percentage	Million	Percentage	Million	Percentage
<b>Equity</b>						
<b>Share capital</b>						
<b>Registered Capital</b>						
Ordinary shares, 940,000,000 shares at par value of Baht 1 each	940.00	-	940.00	-	940.00	-
<b>Issued and fully paid-up share capital</b>						
Ordinary shares, 940,000,000 shares at par value of Baht 1 each	940.00	134.49	940.00	127.02	940.00	107.88
Share premium	227.89	32.60	227.89	30.78	227.89	26.15
Discount from business combination under common control	-71.76	10.27	-71.76	-9.70	-71.76	-8.24
Retained earnings (deficit)						
Appropriated - legal reserve	25.30	3.62	25.30	3.42	25.30	2.90
Unappropriated (deficit)	-639.51	-91.50	-525.31	-70.98	-540.05	-61.98
<b>Equity attributable to owners of the parent</b>	<b>481.92</b>	<b>68.95</b>	<b>596.12</b>	<b>80.55</b>	<b>581.38</b>	<b>66.72</b>
<b>Non-controlling interests</b>	<b>1.71</b>	<b>0.24</b>	<b>1.02</b>	<b>0.14</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>483.63</b>	<b>69.20</b>	<b>597.14</b>	<b>80.69</b>	<b>581.38</b>	<b>66.72</b>
<b>Total liabilities and equity</b>	<b>698.95</b>	<b>100.00</b>	<b>740.03</b>	<b>100.00</b>	<b>871.32</b>	<b>100.00</b>



### Statement of Comprehensive Income

Items	Consolidated Financial Statements					
	31-December-23		31-December-22		31-December-21	
	Million	Percentage	Million	Percentage	Million	Percentage
Revenue from sales	1,181.44	100.00	2,348.54	100.00	1,369.09	100.00
Cost of sales	1,173.43	99.75	2,174.37	92.58	1,222.59	89.30
<b>Gross profit</b>	<b>3.01</b>	<b>0.25</b>	<b>174.17</b>	<b>7.42</b>	<b>146.50</b>	<b>10.70</b>
Other operating income	2.48	0.21	1.86	0.08	20.63	1.51
<b>Profit before expenses</b>	<b>5.49</b>	<b>0.46</b>	<b>176.03</b>	<b>7.50</b>	<b>167.13</b>	<b>12.21</b>
Selling expenses	9.88	0.84	23.72	1.01	16.24	1.19
Administrative expenses	104.05	8.80	117.15	4.99	82.57	6.03
Finance costs	6.37	0.54	7.99	0.34	10.79	0.79
Share of loss of associate accounted for using equity method	0.42	0.04	0.13	0.01	-	-
<b>Profit (loss) before income tax</b>	<b>-115.23</b>	<b>-9.75</b>	<b>27.04</b>	<b>1.15</b>	<b>57.53</b>	<b>4.20</b>
Income tax expense	-0.37	-0.03	-11.11	-0.47	-11.31	-0.83
<b>Profit (loss) for the year</b>	<b>-115.60</b>	<b>-9.78</b>	<b>15.93</b>	<b>0.68</b>	<b>46.22</b>	<b>3.38</b>



## Statement of Cash Flows

Items	Consolidated Financial Statements		
	31-December-23	31-December-22	31-December-21
<b>Cash flows from operating activities:</b>			
Profit (loss) before income tax	-115.23	27.04	57.53
<b>Adjustments for::</b>			
Depreciation of property, plant and equipment	79.50	82.59	117.28
Employee benefit obligations	0.88	0.90	0.64
Amortisation of intangible assets	0.16	0.20	0.27
Reversal of impairment losses on short-term loan to related parties	5.91	3.01	2.90
Loss on write off other receivables	0.28	-	-
(Gain) Loss from exchange rate	-	-	0.01
Gain on disposal of property, plant and equipment	-0.65	-0.92	-9.93
Loss on devaluation value of inventories	-	-	0.55
Reversal of loss from write-down of obsolete inventory	-0.03	-0.17	-0.21
Loss on devaluation value of inventories	5.12	-1.70	0.58
Share of loss from associate using equity method	0.42	0.13	-
Interest expenses	6.37	7.99	10.79
Interest income	-0.06	-0.02	-0.02
<b>Operating profit before changes in operating assets and liabilities</b>	<b>-17.33</b>	<b>119.05</b>	<b>180.39</b>
<b>Operating assets increase (decrease)</b>			
Trade and other receivables	14.44	15.23	56.69
Inventories	-22.11	55.80	-82.80
Other non-current assets	-0.31	-2.94	0.07
<b>Operating liabilities increase (decrease)</b>			
Trade and other receivables	-0.67	2.49	-2.41
Increase in restricted cash at bank	-1.63	-	-
Cash received (paid) from operating activities	<b>-27.61</b>	<b>189.63</b>	<b>151.94</b>
Interest paid	-6.18	-8.02	-10.83
Interest received	0.06	0.02	0.02
Employee benefit paid	-3.58	-1.30	-0.67
Income tax paid	-7.49	-11.40	-8.40
Withholding tax received	1.50	0.54	0.43
<b>Net cash generated from operating activities</b>	<b>-43.30</b>	<b>169.47</b>	<b>132.49</b>



Items	Consolidated Financial Statements		
	31-December-23	31-December-22	31-December-21
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	-12.73	-17.36	-3.24
Proceeds from disposals of property, plant and equipment	0.74	1.20	30.48
Purchase of intangible assets	-0.06	-0.06	-0.03
Payments for acquisition of associate	-0.60	-1.50	-
<b>Net cash generated from (used in) investing activities</b>	<b>-12.65</b>	<b>-17.72</b>	<b>27.21</b>
Cash flows from financing activities			
Proceeds from short-term borrowings from financial institutions	968.00	1,422.00	999.00
Repayments of short-term borrowings from financial institutions	-896.00	-1,542.00	-1,137.00
Repayments of lease liabilities	-5.17	-2.89	-2.60
Repayments of long-term borrowings	-13.87	-29.01	-18.04
Proceeds from non-controlling interests	2.10	1.50	-
<b>Net cash used in financing activities</b>	<b>55.06</b>	<b>-150.40</b>	<b>-158.64</b>
<b>Net increase in cash and cash equivalents</b>	<b>-0.89</b>	<b>1.35</b>	<b>1.06</b>
<b>Opening balance of cash and cash equivalents</b>	<b>1.11</b>	<b>-0.24</b>	<b>-1.30</b>
<b>Closing balance of cash and cash equivalents</b>	<b>0.22</b>	<b>1.11</b>	<b>-0.24</b>
<b>Cash and cash equivalents</b>	<b>1.64</b>	<b>2.40</b>	<b>1.34</b>
<b>Bank overdrafts</b>	<b>-1.42</b>	<b>-1.29</b>	<b>-1.58</b>
	<b>0.22</b>	<b>1.11</b>	<b>-0.24</b>



## Financial Ratios

Items	Consolidated Financial Statements		
	31-December-23	31-December-22	31-December-21
<b><u>Liquidity Ratios</u></b>			
Current Ratio (times)	0.63	0.89	0.70
Quick Ratio (times)	0.19	0.39	0.25
Operating Cash Flow to Current Liabilities (times)	(0.28)	0.89	0.40
Receivable Turnover (times)	30.41	43.38	14.74
Collection Period (days)	11.84	8.30	24.42
Inventory Turnover (times)	20.11	27.97	19.18
Average Inventory Period (days)	17.90	12.87	18.77
Accounts Payable Turnover (times)	87.89	174.51	97.11
Payment Period (days)	4.10	2.06	3.71
Cash Cycle (days)	25.64	19.11	39.48
<b><u>Profitability Ratios</u></b>			
Gross Profit Margin (percentage)	0.25	7.42	10.70
Operating Profit Margin (percentage)	(9.21)	1.49	4.99
Operating Cash Flow to Net Profit (loss) (percentage)	39.77	483.79	193.93
Net Profit Margin (percentage)	(9.78)	0.68	3.38
Return on Equity (percentage)	(21.39)	2.70	8.28
<b><u>Efficiency Ratios</u></b>			
Return on Total Assets (percentage)	(16.07)	1.98	4.99
Return on Fixed Assets (percentage)	(6.33)	15.47	22.18
Total Assets Turnover (times)	1.64	2.92	1.50
<b><u>Financial Policy Ratios</u></b>			
Debt to Equity (times)	0.45	0.24	0.50
TIE Ratio (times)	(5.77)	23.60	14.33
EBITDA Coverage Ratio (Cash Basis) (times)	1.36	1.00	1.00
Dividend Payout Ratio (percentage)	-	-	-



## **(4) Performance Analysis**

### **Revenue**

The total revenues of the year ended December 31, 2023 was THB 1,181.44 million which increased from THB 2,348.54 million or 49.69 percent from the same period last year, due to the sales volume and average selling price of crude palm oil and palm kernels decreased. The proportion of sales volume decreased by 22.58 percent and 37.30 percent, respectively, while the average price decreased by 35.31 percent and 42.10 percent, respectively. As a result, the Company has decreased revenue in the year 2023 than last year.

### **Cost of sales and Gross Profit**

Cost of sales for the year ended on December 31st, 2023. was THB 1,178.43 million decreasing from THB 2,174.37 million of the same period last year or decreasing 45.80 percent according to sales volume. The proportion of cost of sales per revenue of this year has increased by 99.75 percent from 92.58 percent of the last year. This is because the company had costs from shutting down production lines that increased from the previous year by 15.39 percent because of fluctuations in the price of crude palm oil.

### **Selling Expense and Administrative Expense**

The Company selling expense for the year 2023 was THB 9.88 million decreased from THB 23.72 million in the same period last year or decreased 58.36 percent according to decreasing in the volume sales in the year 2023 that decreased by 22.58. percent.

Administrative expenses increased to THB 98.22 million from THB 92.04 million in the same period last year, which increased by 6.71 percent from employee expenses.

### **Net Profit (loss)**

The Company net profit in the year 2023 was THB 115.60 million while in the year 2022 had net profit of THB 15.92 million or decreased 825.94 percent since ratio of cost per revenue increasing from the mentioned above.

### **Assets**

Total assets of the Company at the ended December 31, 2023, was THB 699.95 million decreased from THB 740.04 million at the end of the year 2022, the decreased amount was THB 41.09 million or 5.55 percent due to the decreased in account receivable and land, building, and equipment by THB 14.72 million and THB 67.24 million, respectively, the reduced ratio consider to 31.86 percent and 11.11 percent according to the normal product sales cycle and the decreased from depreciation.





## **Liabilities**

At the year ended of December 31, 2023, the Company had total liabilities of THB 215.31 million increased from THB 142.90 million at the end of 2022 or increased by THB 72.41 million or 50.68 percent. The main factor is that the company borrows short-term loans from financial institutions.

## **Equity**

The Company had THB 483.64 million of equity in the year end of 2023 which decreased from THB 597.14 million in 2022, decreased by 19.01 percent, according to the performance of the company.

## **Cash flows of the business**

For the year 2023, the company had a net cash flow used from operating activities equal to 43.30 million Baht. This year, the company will have a loss before income tax by the amount of 115.23 million Baht and when adding back non-monetary expenses, the company will have a net cash flow used before changes in assets by the amount of 17.33 million baht due to operating losses. In addition, changes in important assets include an increase in inventories of 22.11 million Baht and a decrease in trade and other accounts payable of 0.67 million Baht, resulting in the company having a net cash flow used from operating activities of 43.30 million Baht. In addition, the company had net cash used in equipment investment activities of 12.65 million Baht. For financing activities, the company had cash from financing of 55.05 million Baht to be used in operations and investments. As a result, the company's cash at the end of the period decreased from the beginning of the year by 0.89 million Baht.

## **(5) Financial Ratio**

### **Liquidity Ratios**

#### ■ **Current Ratio**

Currently, Corporate liquidity in 2023 is 0.63 times, a decrease from 2022 by 0.89 times, resulting from an increase in current liabilities from short-term borrowing from financial institutions to be used in the company's operations. The increased proportion is accounted for 80.79 percent.

#### ■ **Quick Ratio**

The Company's fast liquidity rate decreased from 0.39 times in 2022 to 0.19 times in 2023 as a result of an increase in current liabilities from short-term borrowing from financial institutions to be used in the company's operations. The increased proportion is accounted for 80.79 percent.

#### ■ **Operating Cash Flow to Current Liabilities (times)**



The company's current cash flow liquidity ratio decreased from 0.89 times in 2022 to negative 0.28 times in 2023 due to negative cash flows used from operating activities by the amount of 43.30 million baht.

#### ■ **Account Receivable Turnover**

The company's debtor turnover ratio decreased from 43.38 times in 2022 to 30.41 times in 2023 due to the company's net sales and average trade accounts receivable decreased at the rate of 49.69 percent and 28.23 percent, respectively, with net sales having a greater proportion of the decrease than the decrease in average trade accounts receivable. As a result, the debtor turnover ratio decreased. However, the company has a debt collection policy and can collect debts as scheduled.

#### ■ **Inventory Turnover**

The Company's inventory turnover ratio was slower than the previous year, from 27.97 times to 20.11 times, because the cost of goods sold decreased more than the decrease in average inventories at 45.80 percent and 24.63 percent, respectively, resulting in a decrease in the inventory turnover ratio.

#### ■ **Accounts Payable Turnover**

The Company had the account payable turnover ratio of 87.89 times, while the previous year's figure was 174.51 times due to a decrease in the cost of goods sold by 45.80 percent. The average trade accounts payable increased by 7.61 percent. However, the company paid debts according to the normal payment terms. The lower ratio indicates good debt repayment.

### **Profitability Ratios**

Profitability Ratio of the Company in 2023, the company's ability to make profits decreased from 2022, with the operating profit margin decreasing from a profit of 1.49 percent to a negative value of -9.21 percent, resulting in the net profit margin decreased from a profit of 0.68 percent to a negative value of -9.78 percent due to the company having a loss from operations. In 2023, the company had a loss of 115.23 million Baht, while the previous year had an operating profit by the amount of 15.63 million Baht.

#### ■ **Return on Equity**

The rate of return on equity of the company had a negative value of -21.39 percent, while in 2022, the rate of return on equity was 2.70 percent, with the rate of return on equity showing a decreasing proportion due to operating results in the consolidated financial statements having an operating loss, resulting in 2023, the rate of return on equity was negative, which decreased from the previous year.



## **Efficiency Ratio**

### ■ **Return on Assets**

The rate of return on assets was negative equal to -16.07 percent, decreased from 1.98 percent in 2022, indicating that in 2023, the company could use assets to generate profits less efficiently than in 2022.

## **Financial Policy Ratio**

### ■ **Debt / Equity Ratio**

The debt to equity ratio increased from 0.24 times in 2022 to 0.45 times in 2023 due to a 50.68 percent increase in total liabilities in terms of loans from financial institutions and liability on the lease agreement while the shareholders' equity decreased by 19.01 percent from the operating results. However, the company is still able to pay debts and interests as usual.

### ■ **Interest Coverage Ratio**

The interest coverage ratio decreased from the previous year. In 2023, it showed a negative number of -5.77 times, while in 2022, it was 23.60 times because the company had operating cash flows used by the amount of 43.30 from operating losses. However, the company is still able to generate sufficient income to pay interest on loans continuously and according to the specified terms.

## ***Factors affecting the operation and financial statement of the Company's in the future.***

Overall, in 2023, International palm oil Industry crude palm oil prices were quite volatile, with crude palm oil prices early in 2023 being pressured by the ongoing decline in soybean oil prices caused by high soybean production in Brazil and the United States. In addition, petroleum prices continued to fall due to concerns over the stability of the banking system and an economic recession in the United States. These factors pressured crude palm oil prices to decline. Nevertheless, in the second half of 2023, the supply of crude palm oil from key producing countries such as Indonesia and Malaysia continued to increase due to entry into the palm fruit season. However, the economic situation has not yet recovered much. As a result, the demand for crude palm oil fell against a backdrop of increased supply. Consequently, crude palm oil prices remained stable, despite the downward trend.

For the domestic palm oil market, in early 2023, crude palm oil stocks were high with a large amount of crude palm oil produced. This led to high crude palm oil exports from January to April. As a result, crude palm oil stocks fell sharply. Furthermore, at the end of the second quarter, the impact of the El Niño phenomenon



resulted in significant declines in oil palm production. Consequently, domestic crude palm oil prices in the second half of 2023 were higher and exceeded prices on the global market. This led to a clear slowdown in crude palm oil exports from the end of the second quarter to the end of 2023.

In 2024, overseas palm oil industry trends for crude palm oil prices are expected to remain relatively stable or slightly lower due to the following: 1) soybean production from Brazil and Argentina is expected to increase, which will push crude palm oil prices downward; 2) India, the world's largest importer of palm oil, is promoting domestic palm oil cultivation to support domestic demand, which will inevitably lead to a decrease in global demand for crude palm oil from India, and 3) petroleum prices are not expected to rise much, because the global economy has not yet recovered. The key factors to monitor include the El Niño and La Niña phenomena that will affect oil palm production, and the situation in the Red Sea, which may affect petroleum prices and vegetable oil supply.

Domestic crude palm oil price trends are expected to be aligned with the global market, and palm oil production in 2024 is expected to be similar to 2023, while the strong impact of the El Niño phenomenon is expected to become milder and La Niña conditions may begin in the second half of 2024, leading to an increase in palm fruit production at the end of the year.

The situations of both the domestic and international palm oil industries remain uncertain. The company will continue monitoring all relevant factors, so we can continue to operate in line with the situation.

The background features several large, semi-transparent orange diamonds of varying sizes and shades (light orange and peach) scattered across the page. Two smaller, hollow orange diamonds are also present, one in the upper right and one in the lower left.

# **General Information and Other Key Information**

**Name**

Vichitbhan Palmoil Public Company Limited. (VPO)

**Registered Head Office**

2044 Chavananand Building Phetburi Extension Road, Bangkok, Huai kwang, Bangkok 10310 Thailand

Telephone 0-2314-4101-5 Facsimile 0-2319-7989, 0-2319-0921

**Factory****1. Tha-Sae**

29 Moo 3 Petchkasem Road, Sup-anun, Tha-Sae District, Chumphon 86140

Telephone 077 – 630 – 891 – 3 Facsimile 077 – 630 - 894

**2. Thung-Kha**

170 Moo 6 Thung-Kha, Mueang Chumphon District, Chumphon 86100

Telephone 077-641-603,077-641-606 Facsimile 077-641-606

**Website:**

<http://www.vcbpalmoil.com/>

**Registered No**

0107557000071

**Type of Business**

Producing and distributing crude palm oil, by-products and electricity produced from the treated waste water disposed from the crude palm oil refinery

**Registered Capital**

940,000,000 common shares

**Registered Paid-up Capital**

Baht 940 million

**Par Value per Share**

Baht 1.00

**Share Registrar Thailand Securities Depository Company Limited**

Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Telephone: 0-2009-9000 Facsimile 0-2009-9991

**Investor Relations**

Ms. Supichaya Khunsong

Tel : 02-3144101-423

E-mail : Supichaya@vcbpalmoil.com

**Auditor**

Ms. Thitinun Waenkaew Certified Public Accountant Registration (Thailand) No. 9432  
of Pricewaterhousecooper ABAS LTD.

**“Investors could get more information about us by annual information form (form 56-1)”**

The background features a collection of geometric shapes, primarily diamonds and squares, in two shades of orange. A large, light-orange diamond is centered, with the text 'Corporate Governance' overlaid on it. Surrounding this central shape are several other shapes: a solid orange diamond in the top-left, a solid orange square in the bottom-right, and several outlined orange diamonds and squares of various sizes scattered throughout the composition.

# **Corporate Governance**



The background features several large, semi-transparent orange diamonds of varying sizes and orientations, creating a geometric pattern. Some diamonds are solid orange, while others are outlined in orange.

# **Corporate Governance Policy**



## 6 Corporate governance

### 6.1 The Company governance policy

The Company has significantly focused on good corporate governance considered as one of the most sustainable strategies of the company. The company has therefore specified its corporate governance policy, with principles and practices corresponding to the requirements of good corporate governance for the registered company listed on the Stock Exchange of Thailand in 2012.

#### **(1) The committee**

As 31 December 2023, the Company has a major committee which is Board of Directors and 4 sub-committees, including the Audit Committee, Risk Management Committee, The Nomination and Remuneration Committee and the Management Committee.

#### **1.1 Authority, Work Scope, and Responsibility of the Board of Directors**

1. Conduct tasks according to legal frameworks, objectives, and regulations of the company. Carry out Shareholders' Meetings with transparency. Protect the company's best interest with prudence.
2. Evaluate and provide recommendations on corporate vision, strategy, policy, objective, and direction presented by the management team.
3. Direct the operations and performance of the management team or other personnel appointed to carry out the relevant tasks, ensuring that their performances correspond to the regulations established by the Board of Directors.
4. Continuously assess the performance of the company, ensuring that it corresponds to corporate strategy and budgeting.
5. Support the establishment of a credible accounting system, financial reporting, and auditing system for the management team. Ensure appropriate and sufficient internal control systems of the company.
6. Evaluate the company's risk management procedures, policies, and implementations.
7. Consider the approval of asset acquisition or sales, investment, or other procedures, ensuring that each process corresponds to all related legalities, regulations, or announcements.
8. Consider the approval of corporate transactions, ensuring that each process corresponds to all related legalities, regulations, or announcements.



9. Prevent conflicts of interest between the company's stakeholders.
10. Evaluate matters with fairness and transparency for the best interest of shareholders and stakeholders. The Board must promptly inform the company if its members have benefits associated with certain matters of transactions at hand. Such members will not have the right to vote on the approval of such matters to avoid issues stemming from conflicts of interest.
11. Establish written policies on good corporate governance, ensuring that the company is fairly responsible to all stakeholders.
12. Seek recommendations from professionals of external organizations when necessary to make effective decisions.
13. Consider the appointment of the president for the management team and committee members of the Audit Committee and the Management Committee, delegating clear scopes of authority to the committees for the purpose of ensuring that internal control systems and management correspond to corporate policies
14. Consider the approval of the company's secretary general to ensure that the committees and the firm adhere to legal frameworks, announcements, conditions, and regulations.
15. Consider modifying the authority scope and responsibility of the Audit Committee, Management Committee, and president of the management team as appropriate.
16. Evaluate the performance of the Board of Directors. The Board of Directors conducts annual self-assessments and considers methods to sustainably improve its performance.

The appointments by the Board of Directors must not empower any entities or parties to approve agendas that personally affect the approvers or other conflicting entities (based on the announcement of the SET and SEC.) Approvals must only pertain to matters that correspond to policies mutually agreed at Shareholders' Meeting or established by the Board of Directors.

#### **Board of Directors Term Limits**

In every Shareholders' Meeting, one-third of the Board of Directors are expected to leave their positions. If the proportion cannot be divided as one-third, the number of members leaving the Board must be of the proportion closest to one-third. Board members leaving their positions during the first and second years of business commencement will be decided by draws. For the years after the period, Board members holding the longest terms are expected to leave. Board members leaving their positions may be nominated to serve new terms.



## 1.2 Authority, Work Scope, and Responsibility of the Audit Committee

1. Evaluate the accuracy of the company's financial statements (quarter and annual statements), ensuring that the statements disclose sufficient corporate information before presenting to the Board of Directors.
2. Evaluate the appropriateness and effectiveness of the company's internal control and audit systems. Evaluate the independence of the internal auditors, approving the appointment, rotation, or termination of internal control managers or other parties responsible for internal control
3. Inspect the effectiveness of the company's risk assessment and management systems
4. Ensure that the company adheres to regulations of the SET and SEC or other legal bodies related to its business
5. Appoint independent auditors and establish auditing fees, communicating objectives, boundaries, plans, issues, and other relevant information to the auditors. Attend meetings with auditors at least once a year, without the presence of the management team.
6. Evaluate corporate transactions, ensuring that each process corresponds to all related legalities, regulations, or announcements of the SET. Ensure that relevant information on the transactions is accurately disclosed and that the transactions themselves are reasonable and meant for the best interest of the company.
7. Prepare a report on the performance of the Audit Committee to be included in the company's annual report. The report must be signed by the President of the Audit Committee.
8. Evaluate the performance of the Board of Directors, ensuring that their practices are effective and transparent.
9. The company must report the following observations, all of which may affect the company's performance and financial position, to the Board of Directors to implement prompt actions:
  - 1) Transactions leading to conflicts of interest
  - 2) Corruption, abnormalities, or flaws in the internal control system
  - 3) Breach of SEC and SET regulations or company policies
10. Implement other tasks assigned by the Board of Directors

The Audit Committee has the authority to request management, executives, or staffs to provide opinions and attend meetings, providing relevant information and documents to the committee.

The Board of Directors has the authority to fix or amend the qualities and scope of the Audit Committee to correspond to SET and SEC regulations and/or other related legal frameworks.



### **Audit Committee Term Limits**

Audit Committee members have 3-year terms and may be nominated to serve in the committee again. If Audit Committee members leave their positions for reasons other than reaching the term limit, the Board of Directors must appoint qualified individuals to complete the minimum number of members required in the committee. These newly appointed members will serve the remaining terms of the previous members who left their positions.

## **1.3 Authority, Work Scope, and Responsibility of the Nomination and Remuneration Committee**

### **1. Nomination**

1.1 To determination rules and policies for recruiting for the Board of Directors and the sub committees together with considering the appropriateness of the committee structure and composition to propose to the Board of Directors for approve or propose to The Annual General Meeting of Shareholders to appropriate.

1.2 To recruitment, selection and offer the person who are suitable to take the position of Directors instead of the directors who are terminated or resign.

### **2. Remuneration**

2.1 To consider the remuneration of the Board of Directors and Sub-Committees and propose to the Board of Directors for approve or propose to The Annual General Meeting of Shareholders to appropriate.

2.2 To determine the method and criteria for determining compensation for the Board of Directors, both monetary and non-monetary board to propose to the Board of Directors for approve or propose to The Annual General Meeting of Shareholders to appropriate

### **Nomination and Remuneration Committee Term Limits**

Nomination and Remuneration Committee members have 3-year terms and may be nominated to serve in the committee again. If the committee members leave their positions for reasons other than reaching the term limit, the Board of Directors must appoint qualified individuals to complete the minimum number of members required in the committee. These newly appointed members will serve the remaining terms of the previous members who left their positions.

## **1.4 Authority, Work Scope, and Responsibility of the Risk Management Committee**

1. To make suggestions and give support to Board of Directors in formulating the risk management policy and defining acceptable risk levels.
2. To define the framework of the Company's risk management in line with risk management policy for submission to Board of Directors for approval, and follow up on its implementation as well as reviewing the effectiveness of the framework.



3. To report a broad view for Board of Directors' consideration of business risks and its management method, and follow upon results to Audit Committee and Board of Directors.
4. To review risk management reports to ensure adequate and suitable risk management to acceptable levels, and ensure continued implementation of risk management.
5. To regularly coordinate with the Audit Committee by sharing knowledge, information about risks and internal control potentially affecting the Company's business.
6. To approve and provide recommendations and advice on critical issues regarding the risk management process and development.
7. To support a Company culture for adequate risk management and internal control.
8. To appoint Board of Directors' representatives and/or working teams and/or additional personnel relating to the risk managements deemed appropriate including defining the scope of duties and responsibilities thereof for the benefits of the operations in accordance to our objective.

#### **Risk Management Committee Term Limits**

Risk Management Committee members have 3-year terms and may be nominated to serve in the committee again. If Risk Management Committee members leave their positions for reasons other than reaching the term limit, the Board of Directors must appoint qualified individuals to complete the minimum number of members required in the committee. These newly appointed members will serve the remaining terms of the previous members who left their positions.

### **1.5 Authority, Work Scope, and Responsibility of the Management Committee**

1. Manage and operate the business according the objectives, policies, directions, and plans established by the Board of Directors.
2. Establish corporate vision, strategy, policy, objective, direction, and plan to correspond to economic and competitive landscapes, presenting the information to the Board of Directors for approval.
3. Evaluate the effectiveness of the policies and management of the company, ensuring correspondence to the Board of Directors' approval
4. Establish organizational structure and authority
5. Appoint or hire consultants related to the company's business to maximize effectiveness
6. Consider the approval of general purchases, purchases of raw materials and consider the approval of investments according to authority by the Board of Directors approval.
7. Carry out other tasks appointed by the Board of Directors

The appointments by the Management Committee must not empower any entities or parties to approve agendas that personally affect the approvers or other conflicting entities (based on the announcement of the SET and SEC.) Approvals must only pertain to matters that correspond to regular business and trade policies.



## 1.6 Authority, Work Scope, and Responsibility of the Chief Executive Officer

1. Manage and operate the business according the objectives, policies, directions, and plans established by the Board of Directors and/or decisions of the Shareholders' Meeting.
2. Establish corporate vision, strategy, policy, objective, direction, and plan to correspond to economic and competitive landscapes, presenting the information to the Board of Directors for approval.
3. Establish or restructure the company's management to correspond with corporate policies and the industry's competitive dynamics.
4. Authorized to hire, appoint, rotate, establish salaries, and terminate employment of staffs under the ranking of president of the management team. The CEO may appoint a party to undertake these tasks as an authorized representative.
5. Determine standard bonuses, salary raises, compensations, and special bonuses for employees based on the approval of the Board of Directors and/or Management Committee.
6. Authorized to issue, amend, add, and improve regulations of the company's business to correspond with corporate policies.
7. Consider the approval of regular trade transactions such as purchasing products at market value and providing general trade terms under the approval of the Board of Directors.
8. Consider the approval of general purchases, purchases of raw materials and consider the approval of investments according to authority by the Board of Directors approval.
9. Carry out other tasks appointed by the Board of Directors

The appointments by the Chief Executive Officer must not empower any entities or parties to approve agendas that personally affect the approvers or other conflicting entities (based on the announcement of the SET and SEC.) Approvals must only pertain to matters that correspond to regular business and trade policies.

## (2) Appointing Committee Members

### 2.1 Appointing Independent Committee Members

#### Qualifications of Independent Directors

The Board of Directors established the following regulations for appointing independent committee members based on SEC regulations:

1. The individual must not possess more than 1 percent of total shares of the company, affiliates, partners, major shareholders, or decision-makers of the firm. Shares of parties related to the individual must also be taken into account.



1. Not currently a committee member, staff, employee, advisor, decision-maker, or shareholder of the company, affiliates, or partners. Individuals who used to be stakeholders of the company must be absent from their previous positions for at least 2 years from the day requesting for approval from the SEC. These prohibitions do not include independent committee members who used to be civil servants or advisors of government offices holding significant shares in the company.
2. The independent committee member must not be a family member or legally registered as a father, mother, spouse, sibling, child, or the spouse of the child of other committee members, executives, major shareholders, decision-makers, and individuals to be appointed as committee members.
3. The independent committee member must be free of business relationships with the company, affiliates, partners, major shareholders, or decision-makers of the firm that may hinder the individual's independent discretion. The committee member must not be shareholders of decision-makers of other entities related to the business of the company, affiliates, partners, major shareholders, or decision-makers of the company. Individuals who used to be in the aforementioned circumstance must have vacated the positions for at least 2 years before being eligible for appointment as a committee member. The committee member must not be involved in receiving or providing financial assistance (giving or taking loans, guaranteeing loans, providing collateral, etc.) to the company that leads to financial obligations with a value of 3% of net tangible assets (or obligations worth 20 million Baht and above), depending on which calculation yields the lower value. Calculations of the financial obligation must be according to regulations of the SEC on transaction value calculations. This involves incorporating financial obligations incurred one year before having business relations with the same individual.
4. The independent committee member must not be an auditor of the company, affiliates, partners, major shareholders, or decision-makers of the firm. The individual must not be shareholders, decision-makers, or partners of auditing companies consisting current auditors of the company, affiliates, partners, major shareholders, or decision-makers of the firm. Individuals who used to be in the aforementioned circumstance must have vacated the positions for at least 2 years before being eligible for appointment as a committee member.
5. The independent committee member must not provide professional services, including legal and financial advisor, to the company, affiliates, partners, major shareholders, or decision-makers of the firm that results in generating service revenue above 2 million Baht per year. The individual must also not be shareholders, decision-makers, or partners of such professional service companies. Individuals who used to be in the aforementioned circumstance must have vacated the positions for at least 2 years before being eligible for appointment as a committee member.
6. The independent committee member must not be appointed as a representative of the Board of Directors, major shareholders, or shareholders related to those major shareholders.
7. The independent committee member must not conduct business of the same form as the company and must not engage in business practices that compete with operations of the company and its affiliates.





The individual must not be shareholders (or hold no more than 1% of total shares), committee members, employees, staffs, and full-time advisors of businesses that are competitors with the company and its affiliates.

8. The individual must be free from other characteristics that hinder independent judgment of the company and its operations.

## **2.2 Appointing Audit Committee Members**

The Board of Directors consists of at least 3 members from the Audit Committee. The Board will nominate independent committee members and make appointment decisions at the Board of Directors' meeting or Shareholders' Meeting. The Audit Committee has authority and scope of responsibility according to the regulations announced by the SET.

## **2.3 Appointing Risk Management Committee Members**

The Board appoints the Risk Management Committee which is composed of at least three Risk management Committee and at least one of committee member must be an independent director.

## **2.4 Appointing Nomination and Remuneration Committee Members**

The Board of Directors consists of at least 3 people by half of the committee will be selection from nominate of independent committee members and the chairman of the committee must be nominate of independent committee.

## **2.5 Appointing Management Committee Members**

The company selects Management Committee members based on personal qualifications that correspond to the corporate strategy and plans. The candidates must be competent in knowledge, skills, experience, and dedication. Candidates must possess qualifications listed in Clause 68 of the Royal Decree for Public Company Limited (1935, amended), as well as regulations of the SET and SEC. The appointments must be approved from the Board of Directors or at the Shareholders' Meeting (depending on the case.)

The Board of Directors has considered qualifications of person to be "Independent Director" of the Company so that the Independent Directors can carry out their duties with independence suitable to the nature of business of the Company and in accordance with the regulations prescribed by the SEC and the SET. In addition, the Board of Directors has determined that Independent Directors shall be appointed in the same position successively of not more than 9 years from the date of their first appointment. In case Independent Directors needed to be re-appointed into the position after 9 years, the Board of Directors shall consider the appointment thoroughly again.



## Corporate Governance

The Company will send knowledgeable, skillful, and experienced personnel appropriate to the business of its subsidiaries or affiliates to be appointed as directors or executives in proportion to their shareholding in the Company in subsidiaries or affiliates to set policy and control the operations of its subsidiaries or affiliates to make sure that the operation is going in the right direction and to maximize the Group's overall benefits. Additionally, the company representative is responsible for monitoring the operations of its subsidiaries or associates closely and reports the results of operations of its subsidiaries or affiliates to the Board of Directors.

### (3) Inside information and conflicts of interest maintenance

The Company has a policy to protect the directors and executives from illegitimately using inside information to benefit themselves as the follows:

- 1) The Company has established a requirement for the company's data protection by stating that agencies that know the information are prohibited to disclose it to the authorities or unrelated individuals.
- 2) The Company administrators have been informed that the significant and financial information of the company that affect stock prices must not be taken advantage of prior to the public disclosure. The executives are prohibited from trading the Company securities for a period of one month before the financial statements or material is made public.
- 3) When the securities of the companies were listed on the Stock Exchange of Thailand, the Company has determined that the directors and management have a duty to report the company securities holding under section 59 as required by the Securities and Exchange Commission regarding the preparation and disclosure of shareholding of directors and management including management's spouse and minor children, directly or indirectly such as held by a nominee through private funds, and so on.
- 4) The Company has determined disciplinary action for the exploitation or disclosure of inside information that may cause damage with the penalty appropriate to the case including verbal warning, written warning, probation, as well as dismissal depending on the intention of the act and the seriousness of the offense.



#### (4) Auditors' remuneration

In last 3 years the Company pays Auditors' remuneration as the following detail: (unit: baht)

For the fiscal year	Auditors	Remuneration of the Company	Remuneration of the Subsidiary Company	Other fees	Total
31 December 2021	PricewaterhouseCoopers ABAS Ltd	1,726,000	724,000	85,482	2,535,482
31 December 2022	PricewaterhouseCoopers ABAS Ltd	1,726,000	724,000	67,535	2,517,535
31 December 2023	PricewaterhouseCoopers ABAS Ltd	1,726,000	724,000	103,843.58	2,728,843.58
	Independent auditor (Ragtai Center Co., Ltd. Company groups)	-	175,000	-	

**Note** Other fees are including traveling cost and photocopy

#### Good Corporate Governance Policy

Vichitbhan Palmoil Public Company Limited has significantly focused on good corporate governance considered as one of the most sustainable strategies of the company. The company has therefore specified its corporate governance policy, with principles and practices corresponding to the requirements of good corporate governance for the registered company listed on the Stock Exchange of Thailand in 2012.

The company's corporate governance policy is divided into 5 sections as follows.

##### Section 1: Rights of shareholders

The company has always recognized the importance of the shareholders' rights, encouraging all shareholders to appropriately exercise their own rights. Additionally, the basic rights of shareholders vary in selling or transferring shares, possessing a share in the company's profit, obtaining sufficient information, participating in general meetings to vote for the appointment or removal of the Board of Directors, appointing an authorized auditor and other influential matters affecting the company's integrity such as the allocation of dividends, the formulation and amendment of regulations and memorandums of association, the increase or decrease of investment capital and the approval of special transactions.

The company's policy is expected to be implemented in various affairs to support and facilitate the shareholders in exercising their rights effectively and appropriately.

- The company shall send a meeting invitation letter with other related documents to all shareholders at least 7 days or at a certain period of time specified by the law or notification prior to an actual



shareholder meeting date. The invitation letter shall specify the date, time, place, regulations of the company related to the shareholder meeting and meeting agendas containing explanations, reasons and comments of the Board of Directors, proxy approved by the Ministry of Commerce and list of the independent Board of Directors where a shareholder shall consent to the appointment of a representative to attend a shareholder meeting on behalf of such shareholder. Additionally, the company will declare significant information about a shareholder meeting in the Stock Exchange of Thailand's website as well as the company's website prior to an actual shareholder meeting date.

- Before a shareholder meeting gets started, the company shall inform the shareholders about the voting principles and the counting of votes in the meeting. When significant information has been declared in accordance with the meeting agendas, the chairman of the meeting is required to appropriately offer a chance for all shareholders to freely express their opinions and feedback. In doing so, directors and executives are required to attend the meeting to respond to the opinions and feedback raised by the shareholders. However, the company will provide an opportunity for the shareholders to raise and submit their inquiries prior to the actual shareholder meeting date.
- In cases where there are several items on a proposed agenda, such as the appointment of the Board of Directors, the company will arrange a consensus vote for each item.
- As a shareholder meeting is finished, the company will record the meeting minutes accurately, specifying the voting procedures, inquiries and solutions and voting results including the agreement, disagreement and abstentions for certain votes. The company will also record the name list of the Board of Directors who are present or absent from the meeting. Meanwhile, the company will report on the voting results in the Stock Exchange of Thailand's website within the voting date or not later than 09:00 hrs. of the following date and shall submit the shareholder meeting report to the Stock Exchange of Thailand within 14 days following the meeting date and shall display such report in the company's website accordingly.

## **Section 2: Equal treatment of shareholders**

Vichitbhan Palmoil Public Company Limited is committed to treating all shareholders fairly and equally, whether they are executives, non-executives or foreigners. The company has set its sights on proceeding with the following implementations:

- The company will prepare a meeting invitation letter in both Thai and English versions to be delivered to all shareholders.
- The company will proceed with the shareholder meeting in accordance with the proposed agenda specified in the meeting invitation letter and shall not consider the addition of any addition to the agenda



unless informed in advance, particularly any important agenda item that requires the shareholders' thorough study before making any decision.

- The company shall provide an opportunity for minor shareholders to nominate a person to be elected as a member of the Board of Directors by submitting a set of required information of the nominated person with written consent to the Chairman of the Board of Directors under the requirements specified by the company.
- The company will encourage the shareholders to use a ballot paper in every vote, where all ballot papers will be collected from a certain shareholder meeting for vote counting. For transparency and accountability, the company is determined to collect and keep ballot papers safely at all times.
- The company always gives importance to the complete disclosure of the company's information in an accurate, complete and timely manner. All shareholders will be fairly and equally exposed to the information provided in the Stock Exchange of Thailand's website as well as the company's website.
- The company has successfully developed a protection policy to hinder the Board of Directors or other executives from wrongful or illegal use of any private information belonging to the company for their own benefits or that of other shareholders.
- The company has also developed a strict policy for any member of the Board of Directors who owns a stake in any agenda in a meeting to refrain from participating in such meeting or having an authority to consider such agenda.

### **Section 3: Roles and responsibilities of interested person**

Vichitbhan Palmoil Public Company Limited has always emphasized the rights of interested people who own stakes in the business including the clients, staff members, partners, shareholders, investors, creditors and community where the company is located as well as other interested people outside the business realm such as competitors and independent auditors. The company will always treat these people fairly and equally, believing that a concrete relationship between the company and all parties involved as stakeholders will help stimulate the company to achieve sustainable growth.

#### Shareholder

1. The company is set to support and facilitate shareholders to exercise their basic rights effectively and appropriately including the selling and transferring of shares, possessing a share in the company's profit, obtaining sufficient information, participating in general meetings to vote for the appointment or removal of the Board of Directors, appointing an authorized auditor and other influential matters affecting the company's integrity such as the allocation of dividends, the formulation and amendment of regulations and



memorandums of association, the increase or decrease of investment capital and the approval of special transactions.

2. The company shall encourage shareholders to exercise their rights in other affairs related to the company's general shareholder meeting such as the right to nominate a person to be appointed as the Board of Directors and the right to express a certain opinion or feedback related to a proposed agenda.

3. The company shall also refrain from any misconduct or exploitation considered as a violation or infringement of others' rights such as the failure to submit an important document to the shareholders prior to the meeting and the unexpected addition or amendment of significant information in any certain agenda without the shareholders' prior notice.

#### Staff member

1. The company is committed to offering compensation to its staff fairly and equally by referring to the staff member's performance, where the company will apply the most effective performance evaluation to be used with each and every staff member in accordance with the standards specified by the company.

2. The company has shifted its strategic focus to the enforcement of the policy concerning human resource development by launching a training program aimed to provide knowledge for both staff members and executives. Meanwhile, the company has sent selected staff members and executives for training programs on work-related knowledge with outside agencies.

3. The company has always maintained a hygienic environment that can encourage greater working performance while fostering safety of lives and property of staff members and executives of the company as a whole.

4. The company is also committed to protecting the privacy of all staff members and executives, not disclosing personal information, such as salary or medical records of staff members or executives to any third party, unless the company is required to disclose such information in accordance with the relevant laws and regulations.

#### Client

1. The company has always been expected to build a good relationship and collaboration with its clients for the long-term benefit by relying on faith and loyalty in business.

2. The company puts its main focus on the highest degree of satisfaction and confidence for customers from all levels, offering quality products and services with non-hostile properties in accordance with the requirements, while strictly complying with the terms and conditions required for each customer's needs.

#### Partner and Creditor

1. The company has remained firm for the emphasis of fairness, equality and honesty in operating its business by complying with the laws and mutual requirements strictly.



2. The company will always maintain its ethical business practices without requesting any benefit considered as illegal and dishonest conduct with any of its business partners.

#### Competitor

1. The company has focused on a strategic policy to support and encourage free trade competition in a liberated and fair manner
2. The company will treat all business competitors lawfully, while relying on good corporate governance. In addition, the company will never attempt to discredit its business competitors by issuing any false accusation without fact or conducting any unfair practice to tarnish the competition.

#### Government Organization

1. The company is set to comply with the rules, regulations and other laws corresponding to its business operations.
2. The company has given importance to the transparency and honesty in dealing with business transactions required by any government organization. Strategically, the company always remains firm in combating bribery and corruption that may illegally facilitate or benefit the company.

#### Environment, Society and Community

1. The company has established a firm policy of operating an environmentally friendly business, with a sharp focus on natural resource conservation while promoting effective energy consumption.
2. The company has also managed to run its business with regard to the quality of lives of those in the society and community by strictly complying with all required laws, rules and regulations.

The company stakeholders are allowed to seek the company's information or file a complaint via the company committee. Such complaints are expected to be filed and sent via postal mail to the company's Office of the Secretary according to the company's address or email [vpo.cs@vcbpalmoil.com](mailto:vpo.cs@vcbpalmoil.com). In such a case, the complaint will be kept strictly confidential and the committee will proceed with the investigation of such complaint, seek further solutions and report to the committee accordingly.

### **Section 4: Transparency and Disclosure of Information**

Vichitbhan Palmoil Public Company Limited consistently recognizes the importance of the disclosure of information with accuracy, timeliness and transparency in order to provide significant information for the shareholders and interested people equally and reliably. Furthermore, the company will keep its own website updated regularly.

The Company has successfully developed its policy for the complete disclosure of information via information technology to the public such as the company's vision and mission, type of business, list of the



committees and executives, financial statements, financial reports, risk and risk management policies, direct and indirect shareholding of the Board of Directors, major shareholders and high-ranking executives, audit fees and other service fees related to the auditor and remunerations for the committees and the Board of Directors.

In addition, the company is keeping the establishment of the investor relations agency in progress aiming to provide the company's information for the shareholders, investors, securities analysts and general public.

## **Section 5: Responsibilities of the Board of Directors**

On December 31, 2023, the company successfully developed its management structure consisting of a major committee and 4 sub-committees, including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and the Management Committee appointed to monitor and supervise the business aiming for the highest benefit of the company and shareholders in the long run.

### **Structure of the Board of Directors**

The Board of Directors consists of highly skilled and experienced people who are required to work on the consideration of significant affairs related to the company's management. In the meantime, all committee members can feel free to offer comments and cast their votes on a certain agenda, as part of the goal to make the company's business operations and implementations achievable with the highest levels of efficiency and transparency.

On December 31, 2023, the Board of Directors consisting of 8 committee members, where 3 of them are independent committee members, is required to possess at least one-third the total member of the Board of Directors and not less than 3 committee members. Meanwhile, the independent committee members shall possess no prohibition in accordance with the notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

### **Roles and Responsibilities of the Board of Directors**

The Board of Directors is required to proceed with the consideration and the approval of important matters related to the business operations, including the specification of vision and mission, strategy and financial target, risk and budget management as well as the monitoring and supervision of business operations in accordance with efficiently enforced policies and requirements, the Board of Directors shall exercise their judgment and prudence in making decisions and performing their duties with the required responsibility and honesty aiming for the company's long-term benefit.





### **Self-Assessment of the Board of Directors**

The Board of Directors will provide annual self-assessment to evaluate their performance of the Board of Directors and also individual in the previous year while seeking ways to maximize performance efficiency of the Board of Directors also includes evaluating the performance of the Managing Director

The Company also requires all Directors to evaluate the performance of the Board of Directors and individual Director, with the following assessment topics:

- Structure and qualifications of the BODs;
- Roles, duties and responsibilities of the BODs;
- BODs' Meeting;
- Directors' performance when carrying out their duties;
- Relationship with management;
- Self-development of Directors and executive development;

Moreover, the Board of Directors is required to assess performance of the Managing Director of the Company, with the following assessment topics:

- Leadership;
- Determination of strategies;
- Compliance with strategies;
- Financial planning and performance;
- Relationship with the BODs;
- Relationship with external parties;
- Administration and relationship with employees;
- Succession planning;
- Knowledge of products and services;
- Personal characteristics;
- Area to be improved and developed.

### **Remuneration of the Board of Directors and executives**

Vichitbhan Palmoil Public Company Limited has clearly specified the remuneration to be offered to the Board of Directors and other executives in accordance with the requirements of the Securities and Exchange Commission (SEC). The remuneration shall be approved by the shareholders of the annual general meeting every year. In cases where the Board of Directors is assigned to deal with additional duties or responsibilities, for instance, audit management, the Board of Directors will be offered compensation at an appropriate rate regarding



the additional duties or responsibilities consisting of the approval of executive compensation related to the company's performance and the annual performance of each executive.

### Meeting of the Board of Directors

The meeting of the Board of Directors always recognizes the importance of monitoring and certification of quarterly performances as well as the report from the Board of Directors and risk management plan that is expected to be submitted to executives for consideration of implementation and to proceed to put it into action aiming for the highest benefit of the company.

A secretary will be provided for each general meeting to work on the preparation of meeting agendas and the delivery of meeting-related documents to the Board of Directors at least 7 days prior to the actual meeting date, as well as for the recording of meeting minutes provided by suggestions and comments of the subcommittees including the Board of Directors, the Audit Committees Nomination and Remuneration Committee, Risk Management Committee and the Executive Management Committees. Overall, the company has successfully proceeded with the recording of meeting minutes, the delivery of meeting-related documents for the Board of Directors, individually and appropriately, and the collection of meeting agendas that were systematically approved by the Board of Directors, and these can be inspected by relevant parties at all times.

### Board and management Training

Details of the training seminar attendance of each board in 2023 are as follows:

Director	Position	Course Name	Training Center	Date and Time
1. Mr. Krisada Chavananand	Managing Director	Grabbing Opportunity to Sustainable Growth	SET	8 February 2023
		ESG	Internal Training	24 July 2023
2. Mrs. Supaluck Tiasevanakul	Director	Grabbing Opportunity to Sustainable Growth	SET	8 February 2023
		CFO Refresher course 2023	SET	30 November 2023
2. Mr. Vatchara Chavananand	Director	Grabbing Opportunity to Sustainable Growth	SET	8 February 2023
		ESG	Internal Training	24 July 2023



## **(5) Internal controls and risk management**

### **5.1 The Board of Directors opinion regarding the internal control of the Company**

The Company recognizes the importance of a good internal control system according to the principles of good corporate governance; that is a fair, transparent, and secure system that can be checked. This will lead to the best interests of shareholders, employees, suppliers, communities, and other relevant parties.

The Company has appointed D.I.A. and Associates Co., Ltd. to audit and evaluates the Company internal control systems. D.I.A. and Associates Co., Ltd. has announced the results of monitor and evaluating internal control systems. The Company has taken to monitor and assess to continuously improve the Company's internal control system.

Additionally, the internal control in any of internal control system aspect will be reviewed by the D.I.A. and Associates Co., Ltd., which is planning the audit to cover all segments along with presenting it to the Board of Directors for approval on the audit plan to be monitored and reported to the Audit Committee on a quarterly basis. The Board of Directors is of the opinion that the Company's internal control systems are appropriate and sufficient.

The Company has established sufficient internal controls to monitor the operations of its subsidiaries to protect the assets of the Company and its subsidiaries from being illegitimately used the directors or executives as well as transactions with persons who may have conflicts of interest and related party.

### **5.2 Transaction Necessity and Appropriateness**

Transactions between the company and other entities or individuals that may have conflicts of interest include revenue from asset sales, rental fees, and service fees of office buildings. The committee implemented preliminary inspection on the transactions, with the conclusion that the specific transactions have equitable, reasonable prices and conditions established for the overall benefit of the company.

### **5.3 Policies or Procedures for Approving Transactions**

These policies and procedures were established to ensure that the transactions are transparent and aimed for the overall benefit of the company. The company strictly adheres to legal regulations of the SEC and SET pertaining to such transactions. The Board of Directors, executives, and stakeholders are prohibited from attending the meeting for approval of the transactions. In cases where specific transactions require the Board of Directors authorization, the company will require the Audit Committee to attend the meeting to evaluate and present recommendations on the appropriateness of such transactions. The following policies apply to trade agreement transactions with general conditions and specialized conditions:

**Trade Agreement Transactions with General Conditions**

The transactions will be evaluated by the Audit Committee before being presented to the Board of Directors, which will then authorize the relevant departments to approve the transactions. The transactions must have a basis of fair trade, where all parties have bargaining power independent of influences from professional positions and authorities (e.g. board members, executives.)

The company will create a summary of all transactions to report to the Audit Committee and Board of Directors in every quarter.

**Trade Agreement Transactions with Specialized Conditions**

The transactions will be evaluated by the Audit Committee before being presented to the Board of Directors and/or shareholders for further assessment for approval. The practices must correspond to regulations of the SEC and SET.

If the Audit Committee is inexperienced in evaluating a certain type of transaction, the company may request specialized personnel from external sources, such as financial analysts, experts, and independent asset valuers to assess the transaction. The analysis of the Audit Committee and specialized personnel will be used as a factor for the Board of Directors or the shareholders' decision in approving the transaction. This will provide confidence that the transactions will not provide inequitable benefits to companies or particular shareholders, but rather a transparent maximization of every shareholder's wealth. The company will disclose transaction information annually and as a remark for financial statements approved by auditors.

**5.4 Prospects and Policies for Future Transactions**

The company expects future transactions with companies and/or parties due to the necessity and overall benefit for its business. The prospects of the company's future transactions are summarized below:

1. Regular Business Support Activities: These include office building leases and purchase of fuel oil, with prices and trade conditions according to market mechanisms. The company expects these transactions to be continuous.
2. Transactions related to Assets or Services: These include purchase and sale of assets such as sale of automobiles to Vichitbhan Construction. The company expects these transactions to occur based on necessities.

After selling shares to the public, the company strictly follows regulations of SET and SEC in dealing with all transactions

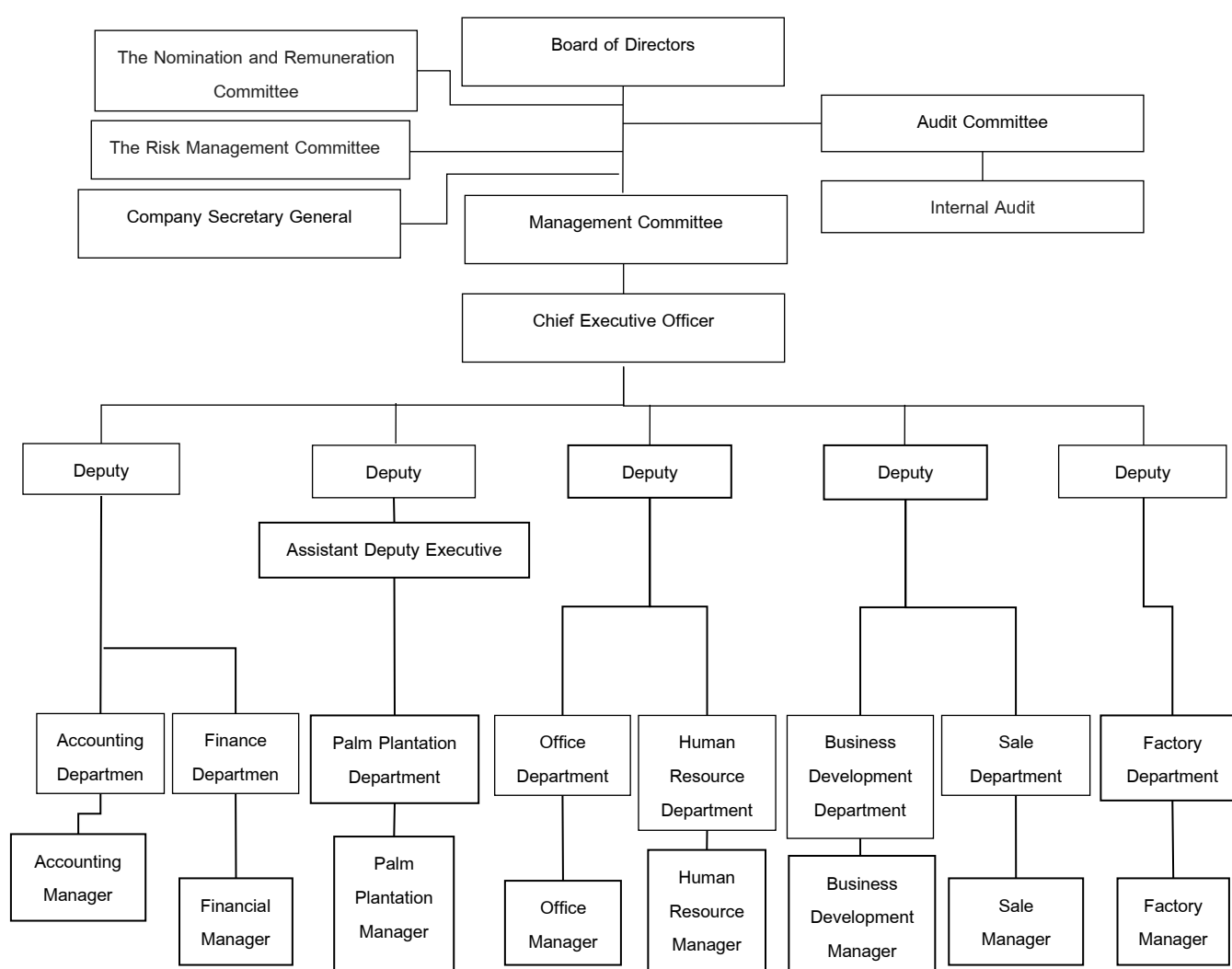
The background features several large, semi-transparent orange diamonds of varying sizes and orientations, creating a geometric pattern. Some diamonds are solid, while others are outlined.

# **Corporate Governance Structure**

# 7 Corporate Governance

## 7.1 Management Structure

On 31 December 2023, Management structure of the company Consists of the Board of Directors and 4 sub-committees: the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee And the Executive Committee as follows





### Shareholding of the Board of Directors and Management

Name	At Dec 31,2023 (shares)	At Dec 31,2022 (shares)	+/(-) (shares)
1. Mr. Voravith Chavananand Spouse and Minor Child	11,000,000	3,000,000	8,000,000
2. Mr. Krisada Chavananand Spouse and Minor Child	241,500,000	241,500,000	-
3. Mrs. SupaluckTiasevanakul Spouse and Minor Child	72,000,000	72,000,000	-
4. Mr. Vatchara Chavananand Single	40,000,000	40,000,000	-
5. Mr. Bandhoon Supakavanich Minor Child	-	-	-
6. Mr. Jiraphant Asvatanakul Spouse, Minor Child and Entity	100,000	100,000	-
7. Mr. Rachada Singalavanija Spouse and Minor Child	-	-	-
8. Mr. Peerapong Oeusoonthornwattana Spouse and Minor Child	24,000,000	24,000,000	-

## 7.2 Board of Directors

As of 31 December 2023, the company's Board of Directors consists of the following 8 members:

Name	Position
1. Mr. Bandhoon Supakavanich	President Independent director and Audit Committee Chairman
2. Mr. Voravith Chavananand	Vice President
3. Mr. Krisada Chavananand	Vice President
4. Mrs. Supaluck Tiasevanakul	Director
5. Mr. Vatchara Chavananand	Director
6. Mr. Jiraphant Asvatanakul	Director
8. Mr. Rachada Singalavanija	Audit Committee and Independent director
8. Mr. Peerapong Oeusoonthornwattana	Director

Mrs. Apiradee Arunpitakgul is the Secretary General of the Board of Directors.

### Committee Members with the Authority to Enter Corporate Binding Agreements

Mr. Voravith Chavananand, Mr. Krisada Chavananand (Chief Executive Officer), Mrs. Supaluck Tiasevanakul (Director), Mr. Vatchara Chavananand (Director). Any two of these members must sign and place the company's stamp to enter the company into binding agreements.

### Board of Directors' Meeting

Details of the Board of Directors' meetings of the accounting year ended 31 December 2022 and 31 December 2023 are as follow:

Full Name	Number of Meetings Attended/Total Number of Meetings	
	2022	2023
1. Mr. Voravith Chavananand	5/6	5/5
2. Mr. Krisada Chavananand	6/6	5/5
3. Mrs. Supaluck Tiasevanakul	6/6	4/5
4. Mr. Vatchara Chavananand	6/6	5/5
5. Mr. Bandhoon Supakavanich	6/6	5/5
6. Mr. Jiraphant Asvatanakul	6/6	5/5
7. Mr. Rachada Singalavanija	6/6	5/5
8. Mr. Peerapong Oeusoonthornwattana	6/6	5/5





### **7.3 Audit Committee**

On 31 December 2023 Audit Committee consists of 3 members as follows:

Full Name	Position
1. Mr. Bandhoon Supakavanich	Audit Committee Chairman and Independent director
2. Mr. Jiraphant Asvatanakul	Audit Committee
3. Mr. Rachada Singalavanija	Audit Committee

Mr. Jiraphant Asvatanakul is Audit Committee that has sufficient knowledge and experience to review the reliability of the financial statements.

### **Audit Committee Meetings**

Details of the Audit Committee meetings of the accounting year ended 31 December 2022 and 31 December 2023 are as follow:

Full name	Number of Meetings Attended/Total Number of Meetings	
	2022	2023
1. Mr. Bandhoon Supakavanich	4/4	4/4
2. Mr. Jiraphant Asvatanakul	4/4	4/4
3. Mr. Rachada Singalavanija	4/4	4/4

The Company has prepared meeting schedules for meetings of the Audit Committee, the Board of Directors, the Nomination Committee and the Risk Management Committee for next year in advance. In addition, the Company also allows Independent Directors to request for discussion on any matter in addition to the predetermined meeting schedules.

### **7.4 Nomination and Remuneration Committee**

Nomination and Remuneration Committee was appointed by the Board of Directors in the Board of Directors' meeting at the end of 31 December 2023, the committee has the following 3 members:

Full Name	Position
1. Mr. Bandhoon Supakavanich	The Nomination and Remuneration Chairman
2. Mr. Jiraphant Asvatanakul	Nomination and Remuneration Committee
3. Mr. Peerapong Oeusoonthornwattana	Nomination and Remuneration Committee

### **Nomination Committee Meetings**

Details of the Audit Committee meetings of the accounting year ended 31 December 2022 and 31 December 2023 are as follow:



Full Name	Number of Meetings Attended/Total Number of Meetings	
	2022	2023
1. Mr. Bandhoo Supakavanich	1/1	1/1
2. Mr. Jiraphant Asvatanakul	1/1	1/1
3. Mr. Peerapong Oeusoonthornwattana	1/1	1/1

## 7.5 Risk Management Committee

Risk Management Committee was appointed by the Board of Directors in the Board of Directors' meeting. At the end of 31 December 2023, the committee has the following 4 members:

Full Name	Position
1. Mr. Krisada Chavananand	Risk Management Chairman
2. Mr. Rachada Singalavanija	Risk Management Committee
3. Mrs. Supaluck Tiasevanakul	Risk Management Committee
4. Mr. Vatchara Chavananand	Risk Management Committee

### Risk Management Committee meetings

Details of the Risk Management Committee meetings of the accounting year ended 31 December 2022 and 31 December 2023 are as follow:

Full Name	Number of Meetings Attended/Total Number of Meetings	
	2022	2023
1. Mr. Krisada Chavananand	3/3	3/3
2. Mr. Rachada Singalavanija	3/3	3/3
3. Mrs. Supaluck Tiasevanakul	3/3	3/3
4. Mr. Vatchara Chavananand	3/3	3/3



## **7.6 Management Committee**

As of 31 December 2023, the Management Committee has the following 4 members:

<b>Full Name</b>	<b>Position</b>
1. Mr. Krisada Chavananand	Committee Member
2. Mr. Vatchara Chavananand	Committee Member
3. Mrs. Supaluck Tiasevanakul	Committee Member
4. Ms. Kem-Ngurn Chutchaiyun	Committee Member

## **7.7 Corporate Secretary General**

Mrs. Apiradee Arunpitakgul is the company's secretary.

### **Authority, Work Scope, and Responsibility of the Secretary General**

- 1.) Provide recommendations for the committee and executives on regulations and legalities that the Board of Directors should be informed.
- 2.) Manage activities of the Board of Directors, organizing Board of Directors meetings and Shareholders' Meetings. Record the minutes of these meetings and collaborate with relevant parties to ensure that the meetings' resolutions are implemented in the business.
- 3.) Prepare and file the following documents:
  - 1) Committee Registration
  - 2) Invitational Letter for the Board of Directors' Meeting, Board of Directors' Meeting Report, Company Annual Report
  - 3) Invitational Letter for the Shareholders' Meeting, Shareholders' Meeting Report
- 4.) Store transaction reports presented by the committee or executives
- 5.) Carry out other practices required by the SEC



## 7.8 Management

As of 31 December 2023, the Management has the following 4 members:

Full Name	Position
1.Mr. Krisada Chavananand	Chief Executive Officer
2. Mr. Vatchara Chavananand	Deputy Executive Officer of Oil Palm Department
3. Mrs. Supaluck Tiasevanakul	Deputy Executive Officer of Accounting & Finance and Office Department
4. Ms. Kem-Ngurn Chutchaiyun	Assistant Deputy Executive Officer of Oil Palm Department

## 7.9 Committee and Management Payment Scale

### Committee Payments

#### 1) Cash Payments

A summary of the committee compensation (excluding management compensation) for the year ended 31 December 2023 is as follows:

Unit: Baht

Full name	For the Year Ended 31 December 2022		
	Amount of Payment	Amount of Payment	Amount of Payment
1. Mr. Bandhoon Supakavanich	220,000	265,000	485,000
2. Mr. Voravith Chavananand	180,000	100,000	280,000
3. Mr. Krisada Chavananand	-	-	-
4. Mrs. Supaluck Tiasevanakul	-	-	-
5. Mr. Vatchara Chavananand	-	-	-
6. Mr. Jiraphant Asvatanakul	180,000	210,000	390,000
7. Mr. Rachada Singalavaniya	180,000	240,000	420,000
8. Mr. Peerapong Oeusoonthornwattana	-	30,000	30,000

#### 2) Non-cash Payments

-None-



### Executive Payments

Payments for the company's executives who are also committee members (excluding compensation for being committee members) and non-committee members in terms of bonuses and funds are summarized below:

Unit: Million.Baht

	For the Year Ended 31 December 2023	For the Year Ended 31 December 2022
Quantity (Number of People)	4	4
Payment (Millions of Baht)	5.98	5.96



## 7.10 Employees

### **Manpower**

The company has manpower in total amount of 345 people at December 31, 2022 and 338 people at December 31, 2023 (Excluding management) as the detail in below table.

Department	Manpower (persons)	
	31 December 2022	31 December 2023
Factory Department	290	290
Business Development	8	10
Office Department	12	10
Finance Department	3	3
Accounting Department	11	11
Oil Palm Plantation Department	21	17
<b>Total</b>	<b>345</b>	<b>338</b>

### **Employee Compensation**

Total employee Compensation (Excluding management) which includes salaries, cost of living allowances, overtime pay, bonuses and other allowances are as follow:

Unit: Million.baht

List	For 2022	For 2023
Employee Compensation	71.06	68.95
<b>Total</b>	<b>71.06</b>	<b>68.95</b>

Employees have not set up the labor union. The Company has policy to treat all employees fairly and legally and the Company also has a good relationship with the staffs.

## 7.11 Labor dispute

-None-



## **7.12 Human resource Development Policy**

The Company recognizes that the human resources are the most important to the company. So, the Company has the policy to improve employee personal skill in management skill, service skill, technical skill and teamwork for increase efficiency and safety at work. Due to the policy the company frequently has arranged in house training course and register to join the outsource training.

## **7.13 Provident Fund**

The company has set up the provident fund since February 1, 2014





The background features several large, semi-transparent orange diamonds of varying sizes and orientations, creating a modern, geometric design. Some diamonds are solid, while others are outlined.

# **Corporate Governance Report**

## Report of Audit Committees

The Audit Committee contains the following independent members:

- |                               |                          |
|-------------------------------|--------------------------|
| 1. Mr. Bandhooon Supakavanich | Audit Committee Chairman |
| 2. Mr. Jiraphant Asvatanakul  | Audit Committee          |
| 3. Mr. Rachada Singalavanija  | Audit Committee          |

In the year 2023, the Audit Committee operated according to the scope and responsibilities stated in the regulations of the Stock Exchange of Thailand (SET) and the authority provided by the company's Board of Directors. Periodically, it had a total of 4 meetings that covered the following key points:

1. Review of Financial Statements and Financial Analysis Report the results of the quarterly and annual operations of the Company and its subsidiaries together with the management and auditors of the Company. The Audit Committee has considered that the financial statements are prepared in accordance with the financial reporting standards and reliable. And the disclosure of material information in the financial statements is enough. There is also a formal auditor meeting to discuss independently about the important information for preparing financial statements.

2. Review the results of internal audit every quarter by the internal auditor's recommendation was also considered to support the internal audit activity independently, and the Company has transparent along with ensuring appropriate and effective solutions are available.

3. Meeting with external auditors and internal auditors to obtain useful suggestions for managing the business. The executives have been informed and adjusted accordingly suggestions to make the workers more efficient.

4. To consider related transactions that may has conflicts of interest to the Company including review the disclosure of information accurately and completely in accordance with the guidelines of the Securities and Exchange Commission, the Stock Exchange of Thailand (SET) and other related to ensure that the transaction is reasonable, transparent and disclosed. Moreover, complying with good corporate governance principles and maximize benefits to the Company.

5. Review the suitability, the effectiveness of risk management and internal control systems from the internal audit report to ensure that the Company's operations are effective and achieved goals.

6. Present to the Board of Directors to propose to the Annual General Meeting of Shareholders for the year 2024 to appoint the auditors from PricewaterhouseCoopers ABAS LTD. is the Company's auditor for the year 2024 with auditing fee.

The Auditing Committee concluded that the company's management effectively performed according to corporate governance policies without violating any rules and regulations.



Mr. Bandhoo Supakavanich

Audit Committee Chairman

21 February 2024

## Responsibility of the Board of Directors on Corporate Financial Statements

The Board of Directors was responsible for the financial statements of the company and its affiliates, including the financial information publicized in the company's annual report of the year 2023. The financial reports were prepared according to the financial reporting standards of Thailand, using appropriate and consistent accounting practices. The company exercised prudence and best practices to publicize relevant information for the best interest of shareholders and investors, underscoring the company's transparency.

The Board of Directors established a risk management system and maintained appropriate and effective internal control systems to ensure the completeness and correctness of accounting information. The systems were also developed to protect the company's assets and safeguard against corruption and inappropriate business practices.

The Board of Directors appointed an Audit Committee to evaluate the company's accounting practices, financial statement quality, internal control systems, risk management, and information sharing policies. Results and recommendations of the Audit Committee are included in the annual report.

The financial statements of the company and affiliates were evaluated by independent external auditors. The Board of Directors supported the Audit Committee with necessary information and documents to complete the auditing process according to accounting standards. The analysis results of the auditors were included in the annual report.

The Board of Directors believes that the company's internal control systems are of high quality, assuring the credibility of the financial statements of the company and its affiliates for the year ended December 31<sup>st</sup> 2023. The company adhered to financial reporting regulations and relevant laws.



Mr. Bandhoon Supakavanich  
President



Mr. Krisada Chavananand  
Managing Director



# **Internal Control and Relate Transactions**



## 9 *Management and Corporate Governance*

### 9.1 Internal controls and Related party transactions

#### Internal controls

Vichitbhan Palmoil Public Company Limited operates its internal controls according to international standards. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has established 5 main components necessary for internal control, namely: (1) control environment), (2) risk assessment, (3) control activities, (4) information & communication, and (5) monitoring activities. For the Company to achieve the objectives of internal control in all 5 areas, the Company has continuously performed the following actions:

The Board of Directors considered the sufficiency of the Company's internal control system according to the assessment form of the Securities and Exchange Commission (SEC) and was reviewed by the Audit Committee and commented that the Company's internal control system is sufficient and appropriate, with no significant deficiencies that may affect the achievement of the Company's main objectives. In this regard, the Company provides sufficient processes and personnel to ensure efficient operation of the internal control system. The reports prepared are accurate and reliable. The operation of the business is in accordance with the relevant laws and regulations to promote internal control and help the audit process to identify problems or risks efficiently and promptly. The Company is committed to implementing internal controls in each aspect as follows:

#### (1) Control Environment

The Board of Directors and executives are committed to the values of honesty and ethics in their operations, as well as supervising the Company's business operations in accordance with the Company's vision and mission. There is control environment to promote compliance with the internal control system policy as follows:

- The Board of Directors and the executives are independent from the management and are responsible for overseeing and developing internal control operations by stipulating good corporate governance policies and business codes of conduct, with policies to ensure compliance with laws, regulations, and anti-corruption practices. The Company has focused on communication and public relations of such policies, including penalties in case of violation of non-compliance by both management and all employees.
- The Company raises awareness and understanding of ethics and business codes of conduct for executives and employees through internal training courses, employee orientation and various activities. In addition, information on good corporate governance and business codes of conduct has



been published on the Company's website to encourage related parties such as partners, joint ventures, and company representatives to be acknowledged and to conduct business with ethics.

- The Board of Directors is independent from the management to oversee the overall business operations and give opinions on the strategic direction of the Company for use as a guideline for the preparation of business plans and action plans, as well as to follow up on the results of the Company's operations to ensure that the Company's operations can achieve the set goals.
- The Company has established an organizational structure in the form of a business group in order for the Company's management to be efficient and to operate in the same direction. The entire group of Companies has segregated duties in key areas to create a balance of power between each other and has assigned duties, responsibilities, and delegate powers appropriately according to the organizational structure. The management has established a structure of reporting channels, defining the appropriate authority and responsibilities to enable the Company to achieve its objectives under the supervision of the Board of Directors.
- The Company is committed to motivating, developing, and retaining competent personnel by sending them to attend training seminars inside and outside the agency, along with providing employees access to operational knowledge sources <http://192.10.1.6/docvpo> and <http://192.10.1.6/isovpo>. This also includes recruiting personnel to join the work by defining recruitment criteria and personnel development, formulating succession plan, and setting up standardized performance evaluation process to consider incentives whereby 2022, the Company has set an annual performance appraisal.
- The Company assigns personnel to have duties and responsibilities in internal control, striving to make everyone aware of internal control that is the basis for achieving the Company's objectives. The internal control system is reviewed regularly. Every quarter, there will be internal auditors (external) who are independent in their work to review them to demonstrate that the internal control system is intact and is being strictly implemented.
- The Company has set sufficient objectives to identify and assess various risks associated with the achievement of the Company's objectives by focusing on the principles of "IGRC" (Integrated Governance, Risk and Compliance). Top management provide support for compliance with Governance, Risk, and Compliance. The Company stipulates good corporate governance and business ethics, with policies to ensure compliance with laws, rules, regulations, internal control, and corporate risk management by high-level executives to employees regularly by communicating through the Company's annual meeting to all executives and employees.



## (2) Risk Assessment

The Company's Board of Directors and executives have given importance to risk management in order to build confidence in leading the organization to both short-term and long-term goals. Therefore, a Risk Management Committee has been appointed by the Board of Directors of the Company and set up the Enterprise Risk Management Committee appointed by the Chief Executive Officer as well as set up specific committees for specific risks of business operations to directly increase management flexibility and can closely monitor various situations. The organization of such risk management structure serves to supervise the Company's risk management to be appropriate, efficient, and effective. The Company manages risks throughout the organization in a systematic and continuous manner by referring to risk management guidelines in accordance with the framework and guidelines that are internationally standardized. The risk assessment takes into account changes in both current and future risk factors related to business operations, including emerging risk factors and the potential for fraud and corruption, along with formulating risk management practices in order to ensure that the risks are at an acceptable level. There is a risk review process and regular monitoring of the implementation of risk management measures to enable the organization to achieve both short-term and long-term goals.

## (3) Control activities

The Company has established control activities by considering the principles of good internal control such as segregation of duties and systematically delegating approval powers to groups of personnel to ensure that there is a system of checks and balances of authorities. There are policies and guidelines related to transactions that have or may have conflicts of interest, conducting transactions with transparency, verifiable, and fair, and transaction approvals take into account the best interests of the Company, etc.

- The Company has written regulations, policies, requirements, operational manuals, clearly defining the scope of powers and duties of the Chief Executive Officer, Managing Director, executives, and employees at each level and operating procedures as a guideline for the operation, along with reviewing the operation to be in accordance with the regulations, policies, requirements, and operating manuals on a regular basis.
- Review and design user rights on the Company's program system in accordance with the main position, segregation of duties and current operations in order to develop procedures for managing the rights based on positions of users on the Company's program system for employees in the group of Companies.
- The Company has established the security control process of the information technology system which is in accordance with the information security management system standards (VPO/HO-IT-65-





001) which is an internationally standardized framework and practice. This also include reviewing and updating requirements of the information technology security policy to be up-to-date and covering important activities, which all executives and employees must sign, acknowledge, and adhere to in order to build confidence in the Group's information system to ensure security and operatable continuously. In addition, training and communication to educate employees on the risks and prevention of new information technology threats are also held regularly in order to raise the standard of information technology security of the organization in accordance with the changing situation.

- The Company has established a process to supervise its subsidiaries so that the companies in the group have guidelines for their operations to be consistent with the policy framework, guidelines, and business strategy directions of the Company, as well as regularly monitoring the operations of the companies in the group with consistency and continuous.

#### **(4) Information & Communication**

The Company attaches great importance to the quality of the information and communication technology system, which is an important supporting part to ensure that internal controls can be operated effectively with the following information and communication management guidelines:

- The Company manages information by defining the layers of confidentiality, laying out guidelines for the storage of important documents and confidential documents, including internal and external operational information to ensure that information that is important and relevant to the Company's business operation is accurate, complete, sufficient for operation and timely use.
- Continued from 2022, the Company continually attaches importance to personal data in accordance with the Personal Data Protection Act B.E. 2562 by organizing training sessions and workshops to communicate basic knowledge and understanding and guidelines for legal compliance for all relevant departments and to assess the current management in order to formulate operational plans and procedures for the management and protection of personal data as required by the Personal Data Protection Act on an ongoing basis.
- The Company requires that material content relating to the Company's operating results and meeting documents be delivered to the Board of Directors in advance of the Board of Directors' meeting so that the Board of Directors can analyze the information prior to making adequate decisions whereby the Board of Directors can request additional information from relevant agencies or persons.
- The Company provides several channels for communication within the organization, consisting of communication via corporate intranet, Email, group meetings which were held in a live online format



via Zoom Cloud Meeting to be in line with the new normal and is an opportunity for all employees to access this activity more easily.

- The Company provides several channels for communication with external stakeholders such as via Website and LINE Official to convey important information of the Company to listen to suggestions and problems from employees and partners. There are also agencies that are directly responsible to disclose important information to stakeholders on a regular basis.
- The Company gives shareholders opportunity to propose agenda for the annual general meeting of shareholders and to nominate qualified persons to be considered for election as the Company's directors in advance in order to enhance good corporate governance on rights and equal treatment of shareholders. The 2024 Annual General Meeting of Shareholders which will be organized on Tuesday 23 April 2024 at 13.00 hours, the Company will be organizing the meeting in the electronic platform (E-AGM) via Zoom Cloud Meeting, which the Company will broadcast the meeting live from the Company's meeting room at 2044 Chavanan Building, New Petchburi Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok. This meeting will be done in accordance with the Emergency Decree on Electronic Meetings B.E. 2020, including other related laws and regulations where it is done using modern technology with readiness to adapt and respond to new normal.
- The Company has established a complaint channel and clearly stipulated guidelines for handling complaints through the Website and LINE Official so that employees and third parties can access and be confident that complaints will be treated with transparency, fairness, and confidential within a reasonable time.

#### **(5) As for monitoring activities**

The Company has a process for monitoring and evaluating sufficiency of internal control, as well as establishing guidelines for improvement to ensure that the Company's internal control system is efficient and effective as follows:

- DIA & Associates Company Limited is an internal audit company (External) which is an independent unit reporting directly to the Audit Committee to review to ensure that the existing internal control is sufficient, appropriate, and has been performed regularly by reviewing and evaluating the effectiveness of internal control of various activities in accordance with the audit plan approved by the Audit Committee. The audit plan is consistent with the Company's strategic direction and significant risks affecting operations, as well as providing recommendations to support internal control. The management acknowledges and determines to make corrections according to recommendations and report the audit results to the Audit Committee regularly at every quarter. As for the assessment of internal control in accounting and finance, it is audited and reviewed by



external auditor, with the audit results presented to and reviewed by the Audit Committee for quarterly and yearly consideration.

- The Company has continuously monitored and reported operations in accordance with the laws, rules, and regulations (Compliance Monitoring and Reporting) in the group of companies to improve the process of monitoring compliance with laws, rules, and regulations through the preparation of Compliance assessment checklist to assess compliance to policies on operations supervision to be in accordance with the law, rules, and regulations (Compliance Policy).
- The Company has complied with the principles of internal control system according to the COSO international standard framework to build confidence to everyone in the organization that the Company's operations will be effective, efficient, and achieve the organization's objectives.

## Related party transactions

Related party transactions with related companies for the year ended 31 December 2023, the Company has connected transactions with its subsidiaries and subsidiaries in the same group. It is a business related to the company, associates and individuals. Those items have been established using market prices or in accordance with the terms and criteria agreed in the contract between companies. The details are as follows.

Company's name	Relationship For the year ended 31 December 2022	Transactions with related parties	Million bath		
			2023	2022	2021
Vichitbhan Plantation Co., Ltd	Subsidiary - Direct shareholding 100%	<b>Statements of Income Transactions</b>			
		Purchase of goods	33.67	92.53	79.40
		Other income	0.03	0.04	0.03
		<b>Statements of Financial Position Balances</b>			
		Other receivable – subsidiaries	0.003	0.003	0.002
VG Energy Co., Ltd	Subsidiary - Direct shareholding 100%	Account Payable – subsidiaries	35.52	44.90	2.63
		<b>Statements of Income Transactions</b>			
		Sales of goods	0.43	0.66	0.50
		Other income	2.13	1.01	2.62
		<b>Statements of Financial Position Balances</b>			
		Other receivable – subsidiaries	15.07	17.50	16.55
		Short-term loans to subsidiaries	47.61	33.95	15.95



Vichitbhan Logistics Co., Ltd.	Subsidiary - Direct shareholding 100%	<b>Statements of Income Transactions</b>			
		Sales of services	11.82	9.28	7.52
		Purchasing machines	-	-	-
		Other income	0.01	0.01	0.04
		<b>Statements of Financial Position Balances</b>			
		Other receivable - subsidiaries	0.001	0.001	0.001
		Account Payable - subsidiaries	0.44	0.98	0.95
Vichitbhan Construction Co., Ltd.	Related company - Common directors	Other receivable - subsidiaries	2.60	4.70	7.18
		Short-term loans to subsidiaries	-	-	-
		<b>Statements of Income Transactions</b>			
		Other income	0.05	0.09	0.09
Chavananand Holding Co., Ltd.	Related company - Common directors and direct and indirect shareholding	<b>Statements of Financial Position Balances</b>			
		Other receivable - related parties	0.29	0.24	0.15
Chokananchumporn Co., Ltd.	Related company Related person	<b>Statements of Income Transactions</b>			
		Sales of services	1.10	1.01	1.01
		Purchasing supplies	4.20	10.88	8.10
		<b>Statements of Financial Position Balances</b>			
		Account Payable - related parties	0.18	0.79	0.43

### The Board of Directors opinion regarding the internal control of the Company

The Company recognizes the importance of a good internal control system according to the principles of good corporate governance; that is a fair, transparent, and secure system that can be checked. This will lead to the best interests of shareholders, employees, suppliers, communities, and other relevant parties.

The Company has appointed D.I.A. and Associates Co., Ltd. to audit and evaluates the Company internal control systems. D.I.A. and Associates Co., Ltd. has announced the results of monitor and evaluating internal control systems. The Company has taken to monitor and assess to continuously improve the Company's internal control system.



Additionally, the internal control in any of internal control system aspect will be reviewed by the D.I.A. and Associates Co., Ltd., which is planning the audit to cover all segments along with presenting it to the Board of Directors for approval on the audit plan to be monitored and reported to the Audit Committee on a quarterly basis. The Board of Directors is of the opinion that the Company's internal control systems are appropriate and sufficient.

The Company has established sufficient internal controls to monitor the operations of its subsidiaries to protect the assets of the Company and its subsidiaries from being illegitimately used the directors or executives as well as transactions with persons who may have conflicts of interest and related party.

### **(1) Transaction Necessity and Appropriateness**

Transactions between the company and other entities or individuals that may have conflicts of interest include revenue from asset sales, rental fees, and service fees of office buildings. The committee implemented preliminary inspection on the transactions, with the conclusion that the specific transactions have equitable, reasonable prices and conditions established for the overall benefit of the company.

### **(2) Policies or Procedures for Approving Transactions**

These policies and procedures were established to ensure that the transactions are transparent and aimed for the overall benefit of the company. The company strictly adheres to legal regulations of the SEC and SET pertaining to such transactions. The Board of Directors, executives, and stakeholders are prohibited from attending the meeting for approval of the transactions. In cases where specific transactions require the Board of Directors authorization, the company will require the Audit Committee to attend the meeting to evaluate and present recommendations on the appropriateness of such transactions. The following policies apply to trade agreement transactions with general conditions and specialized conditions:

#### **Trade Agreement Transactions with General Conditions**

The transactions will be evaluated by the Audit Committee before being presented to the Board of Directors, which will then authorize the relevant departments to approve the transactions. The transactions must have a basis of fair trade, where all parties have bargaining power independent of influences from professional positions and authorities (e.g. board members, executives.)

The company will create a summary of all transactions to report to the Audit Committee and Board of Directors in every quarter.



### **Trade Agreement Transactions with Specialized Conditions**

The transactions will be evaluated by the Audit Committee before being presented to the Board of Directors and/or shareholders for further assessment for approval. The practices must correspond to regulations of the SEC and SET.

If the Audit Committee is inexperienced in evaluating a certain type of transaction, the company may request specialized personnel from external sources, such as financial analysts, experts, and independent asset valuers to assess the transaction. The analysis of the Audit Committee and specialized personnel will be used as a factor for the Board of Directors or the shareholders' decision in approving the transaction. This will provide confidence that the transactions will not provide inequitable benefits to companies or particular shareholders, but rather a transparent maximization of every shareholder's wealth. The company will disclose transaction information annually and as a remark for financial statements approved by auditors.

### **(3) Prospects and Policies for Future Transactions**

The company expects future transactions with companies and/or parties due to the necessity and overall benefit for its business. The prospects of the company's future transactions are summarized below:

1. Regular Business Support Activities: These include office building leases and purchase of fuel oil, with prices and trade conditions according to market mechanisms. The company expects these transactions to be continuous.
2. Transactions related to Assets or Services: These include purchase and sale of assets such as sale of automobiles to Vichitbhan Construction. The company expects these transactions to occur based on necessities.

After selling shares to the public, the company strictly follows regulations of SET and SEC in dealing with all transactions



# Financial Statements

**VICHITBHAN PALMOIL PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2023**





## **Independent Auditor's Report**

To the shareholders and the Board of Directors of Vichitbhan Palmoil Public Company Limited

### **My opinion**

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Vichitbhan Palmoil Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) 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 TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key audit matters**

Key audit matters are those matters that, in my professional judgement, 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.



Key audit matter	How my audit addressed the key audit matter
<p><b><i>Impairment of investment in a subsidiary</i></b></p> <p>Refer to Note 8 'Critical estimates and judgements', and Note 16 'Investment in subsidiaries' to the financial statements.</p> <p>As at 31 December 2023, the Company had net investment in subsidiaries of Baht 308 million, which was net from the allowance for impairment of investment of Baht 230 million. Investment in subsidiaries represented 34% of the total assets in the separate financial statements.</p> <p>A subsidiary, VG Energy Company Limited, which operates a power plant, has continuously incurred losses over the past few years. Therefore, management performed an impairment assessment of the investment in this subsidiary.</p> <p>Management assessed the recoverable amount of investment in the subsidiary based on the value in use by considering discounted cash flow projection. From the assessment, management concluded that no additional impairment was required in 2023.</p> <p>I focused on this area, impairment of investment in a subsidiary, because of the significant value of investment in the subsidiary in the separate financial statements. The assessment of the recoverable amount of investment in a subsidiary involved management's subjective judgement on the reasonableness of the key assumptions used in the cash flow projection, such as the estimated palm fruit production and the discount rate.</p>	<p>I understood and evaluated management's valuation approach for assessing the impairment of investment in a subsidiary. I considered the approach to be appropriate in accordance with the Thai Financial Reporting Standards.</p> <p>I evaluated the Group's budgeting procedures upon which the cash flow projection are based, and assessed the principles of management's discounted cash flow models.</p> <p>I assessed the appropriateness of key assumptions used in the discounted cash flow projection, and I assessed management's judgement on:</p> <ul style="list-style-type: none"> <li>the estimated palm fruit production, by comparing the estimate with the historical production trend data, the cultivated area and the production capacity,</li> <li>the discount rate, by comparing the rate with the cost of capital of the subsidiary and checking the rate is similar to others in the industry.</li> </ul> <p>I also used my firm's valuation expert to assess the reasonableness of the discount rate applied in the discounted cash flow model, including testing the accuracy of the calculation.</p> <p>Based on the above procedures, I found that the key assumptions used by management in assessing the impairment of the investment in a subsidiary to be reasonable based on available evidence and appropriate in light of the current circumstances.</p>



Key audit matter	How my audit addressed the key audit matter
<p><b><i>Impairment of property, plant and equipment</i></b></p> <p>Refer to Note 8 'Critical estimates and judgements' and Note 17 'Property Plant and Equipment' to the financial statements.</p> <p>At 31 December 2023, the Group had property plant and equipment (net) of Baht 537 million, which was net from the allowance for impairment of property plant and equipment of Baht 81 million. Property plant and equipment (net) represented 77% of the total assets in the consolidated financial statements.</p> <p>Management considered there to be an indication of impairment of property, plant and equipment in the Group because the Toong-ka factory has been shut down since May 2016 and the Ta-Sae factory's operating yield has been low. Management assessed the recoverable amount based on value in use of property, plant and equipment by considering the discounted cash flow projection. From the assessment, management concluded that no additional impairment was required in 2023.</p> <p>I focused on this area, impairment of property, plant and equipment, because of the significant value of property, plant and equipment in the consolidated financial statements. The assessment of recoverable amount of property, plant and equipment involved management's subjective judgement on the reasonableness of key assumptions used in the cash flow projection, such as the estimated palm fruit production and the discount rate.</p>	<p>I understood and evaluated management's valuation approach for assessing the impairment of property, plant and equipment by using the value in use method. I considered the approach to be appropriate in accordance with the Thai Financial Reporting Standards.</p> <p>I evaluated the budgeting procedures upon which the cash flow projection are based, and assessed the principles of management's discounted cash flow models.</p> <p>I assessed the appropriateness of key assumptions used in the discounted cash flow projection. I assessed management's judgement on:</p> <ul style="list-style-type: none"><li>• the estimated palm fruit production, by comparing the estimate with the historical production trend data, the cultivated area and the production capacity,</li><li>• the discount rate, by comparing the rate with the cost of capital of the subsidiary and checking the rate is similar to others in the industry.</li></ul> <p>I also used my firm's valuation expert to assess the reasonableness of the discount rate applied in the discounted cash flow model, including testing the accuracy of the calculation.</p> <p>Based on the above procedures, I found that the key assumptions used by management in assessing the impairment of property, plant and equipment were reasonable based on the available evidence and appropriate in light of the current circumstances.</p>

#### Other information

The directors are 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 identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.



### **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated and separate 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 TSAs 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 TSAs, I exercise professional judgement and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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 the audit committee 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 the audit committee 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 the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read "Tithinun Vankeo", with a horizontal line drawn underneath it.

**Tithinun Vankeo**  
Certified Public Accountant (Thailand) No. 9432  
Bangkok  
20 February 2024



**Vichitbhan Palmoil Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2023**

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	1,639,088	2,401,358	720,022	356,161
Restricted cash at bank	14	1,500,000	-	-	-
Trade and other receivables	11	31,491,721	46,213,590	38,566,793	57,425,391
Short-term loan to related parties	34.3	-	-	47,612,568	33,952,042
Inventories	13	79,689,831	62,677,412	77,969,531	61,836,164
<b>Total current assets</b>		<b>114,320,640</b>	<b>111,292,360</b>	<b>164,868,914</b>	<b>153,569,758</b>
<b>Non-current assets</b>					
Restricted cash at bank	14	130,000	-	-	-
Investments in associate	15	1,548,657	1,372,304	-	-
Investments in subsidiaries	16	-	-	308,108,348	304,608,348
Property, plant and equipment	17	537,158,091	604,295,997	422,057,127	458,693,719
Right-of-use assets	18	30,175,237	8,583,190	8,948,230	8,269,898
Investment property	19	1,150,000	1,150,000	-	-
Deferred palm plantation cost	20	-	-	-	-
Intangible assets	21	898,711	996,609	135,349	142,052
Deferred tax assets	22	3,022,861	3,274,478	1,428,940	1,417,521
Other non-current assets		10,545,568	9,071,306	6,856,790	7,367,912
<b>Total non-current assets</b>		<b>584,629,125</b>	<b>628,743,884</b>	<b>747,534,784</b>	<b>780,499,450</b>
<b>Total assets</b>		<b>698,949,765</b>	<b>740,036,244</b>	<b>912,403,698</b>	<b>934,069,208</b>



Director

*Mr. Krisada Chavananand*

**Mr. Krisada Chavananand**  
**Managing Director**

Director

*Mr. Vatchara Chavananand*

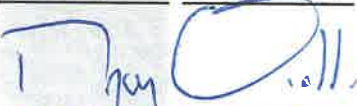
**Mr. Vatchara Chavananand**  
**Director**

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

**Vichitbhan Palmoil Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2023**

		Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
Notes		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	24	161,421,413	89,288,810	160,005,507	88,804,757
Trade and other payables	23	12,957,032	13,858,549	47,161,502	60,106,675
Current portion of lease liabilities	24	7,060,225	2,539,937	2,323,603	2,216,672
Current portion of long-term borrowing	24	-	13,874,513	-	-
Income tax payable		-	4,827,697	-	-
<b>Total current liabilities</b>		<b>181,438,670</b>	<b>124,389,506</b>	<b>209,490,612</b>	<b>151,128,104</b>
<b>Non-current liabilities</b>					
Lease liabilities	24	23,906,799	5,964,040	6,579,193	5,964,040
Retention		29,786	29,786	29,786	29,786
Employee benefit obligations	25	8,733,388	11,427,444	6,740,290	7,970,569
Deferred tax liabilities	22	1,202,487	1,084,921	-	-
<b>Total non-current liabilities</b>		<b>33,872,460</b>	<b>18,506,191</b>	<b>13,349,269</b>	<b>13,964,395</b>
<b>Total liabilities</b>		<b>215,311,130</b>	<b>142,895,697</b>	<b>222,839,881</b>	<b>165,092,499</b>
<b>Equity</b>					
Share capital					
Authorised share capital	26				
Ordinary shares, 940,000,000 shares					
at par value of Baht 1 each		940,000,000	940,000,000	940,000,000	940,000,000
Issued and fully paid-up share capital					
Ordinary shares, 940,000,000 shares					
at paid-up of Baht 1 each		940,000,000	940,000,000	940,000,000	940,000,000
Share premium	26	227,888,500	227,888,500	227,888,500	227,888,500
Discount from business combination under common control		(71,756,742)	(71,756,742)	-	-
Retained earnings (deficit)					
Appropriated - legal reserve	27	25,300,000	25,300,000	25,300,000	25,300,000
Unappropriated (deficit)		(639,505,238)	(525,307,984)	(503,624,683)	(424,211,791)
Equity attributable to owners of the parent		481,926,520	596,123,774	689,563,817	768,976,709
Non-controlling interests	16.3	1,712,115	1,016,773	-	-
<b>Total equity</b>		<b>483,638,635</b>	<b>597,140,547</b>	<b>689,563,817</b>	<b>768,976,709</b>
<b>Total liabilities and equity</b>		<b>698,949,765</b>	<b>740,036,244</b>	<b>912,403,698</b>	<b>934,069,208</b>



  
**Mr. Krisada Chavananand**  
**Managing Director**

  
**Mr. Vatchara Chavananand**  
**Director**

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

**Vichitbhan Palmoil Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2023**


	Notes	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
Revenue from sales		1,181,437,581	2,348,538,717	1,146,372,504	2,311,585,968
Cost of sales		(1,178,431,680)	(2,174,370,040)	(1,127,446,253)	(2,195,592,561)
<b>Gross profit</b>		<b>3,005,901</b>	<b>174,168,677</b>	<b>18,926,251</b>	<b>115,993,407</b>
Other income	28	2,483,412	1,861,212	3,813,949	1,805,543
Selling expenses		(9,879,719)	(23,723,967)	(21,226,322)	(23,092,652)
Administrative expenses		(98,219,336)	(92,041,060)	(67,755,344)	(66,925,772)
Loss from exchange rate		(5,829,501)	(25,104,671)	(5,829,501)	(25,104,671)
Expected credit loss		-	-	(2,077,890)	(1,436,843)
Finance costs	30	(6,369,839)	(7,994,369)	(5,275,454)	(6,967,177)
Share of loss of associate accounted for using equity method	15.1	(423,647)	(127,696)	-	-
<b>(Loss) profit before income tax</b>		<b>(115,232,729)</b>	<b>27,038,126</b>	<b>(79,424,311)</b>	<b>(5,728,165)</b>
Income tax (expense) benefit	31	(369,183)	(11,113,662)	11,419	30,148
<b>(Loss) profit for the year</b>		<b>(115,601,912)</b>	<b>15,924,464</b>	<b>(79,412,892)</b>	<b>(5,698,017)</b>
<b>Other comprehensive income (expense):</b>					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations		-	(2,069,311)	-	(2,004,007)
Income tax relating to items that will not be reclassified		-	408,124	-	400,801
<b>Other comprehensive expense for the year, net of tax</b>		<b>-</b>	<b>(1,661,187)</b>	<b>-</b>	<b>(1,603,206)</b>
<b>Total comprehensive (expense) income for the year</b>		<b>(115,601,912)</b>	<b>14,263,277</b>	<b>(79,412,892)</b>	<b>(7,301,223)</b>
<b>(Loss) profit attributable to:</b>					
Owners of the parent		(114,197,254)	16,407,691	(79,412,892)	(5,698,017)
Non-controlling interests		(1,404,658)	(483,227)	-	-
		(115,601,912)	15,924,464	(79,412,892)	(5,698,017)
<b>Total comprehensive (expense) income attributable to:</b>					
Owners of the parent		(114,197,254)	14,746,504	(79,412,892)	(7,301,223)
Non-controlling interests		(1,404,658)	(483,227)	-	-
		(115,601,912)	14,263,277	(79,412,892)	(7,301,223)
<b>(Loss) earnings per share - owners of the parent</b>					
Basic (loss) earnings per share	32	(0.12)	0.02	Director (0.08)	(0.01)

The notes to the consolidated and separate financial statements are an integral part of these financial statements.



Vichitbhan Palmoil Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2023



  
**Mr. Vatchara Chavananand**  
 Director

  
**Mr. Krisada Chavananand**  
 Managing Director

Consolidated financial statements

	Attributable to owners of the parent									
	Capital contributed		Premium (discount)		Retained earnings (deficit)		Total owners of the parent		Non-controlling interests	
	Issued and paid-up share capital	Share premium	from business combination under common control	Appropriated - legal reserve	Unappropriated (Deficit)	Total owners of the parent	Non-controlling interests	Total equity		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2022	940,000,000	227,888,500	(71,756,742)	25,300,000	(540,054,488)	581,377,270	-	581,377,270	-	581,377,270
Changes in equity for year										
Total comprehensive income for the year	-	-	-	-	14,746,504	14,746,504	(483,227)	14,263,277		
Non-controlling interests from investment in a subsidiary	-	-	-	-	-	-	1,500,000	1,500,000		
Closing balance as at 31 December 2022	940,000,000	227,888,500	(71,756,742)	25,300,000	(525,307,984)	596,123,774	1,016,773	597,140,547		
Opening balance as at 1 January 2023	940,000,000	227,888,500	(71,756,742)	25,300,000	(525,307,984)	596,123,774	1,016,773	597,140,547		
Changes in equity for year										
Total comprehensive expense for the year	-	-	-	-	(114,197,254)	(114,197,254)	(1,404,658)	(115,601,912)		
Non-controlling interests from investment in a subsidiary	-	-	-	-	-	-	2,100,000	2,100,000		
Closing balance as at 31 December 2023	940,000,000	227,888,500	(71,756,742)	25,300,000	(639,505,238)	481,926,520	1,712,115	483,638,635		

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Vichitbhan Palmoil Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2023



  
Mr. Krisada Chavananand  
Managing Director

Opening balance as at 1 January 2022

Changes in equity for year

Total comprehensive expense for the year

Closing balance as at 31 December 2022

Opening balance as at 1 January 2023

Changes in equity for year

Total comprehensive expense for the year

Closing balance as at 31 December 2023

  
Mr. Vatchara Chavananand  
Director


Separate financial statements						
Capital contributed		Retained earnings (deficit)				
Issued and paid-up share capital Baht	Share premium Baht	Appropriated		Unappropriated (Deficit)		Total equity Baht
		- legal reserve Baht			Baht	
940,000,000	227,888,500	25,300,000		(416,910,568)		776,277,932
-	-	-		(7,301,223)		(7,301,223)
940,000,000	227,888,500	25,300,000		(424,211,791)		768,976,709
940,000,000	227,888,500	25,300,000		(424,211,791)		768,976,709
-	-	-		(79,412,892)		(79,412,892)
940,000,000	227,888,500	25,300,000		(503,624,683)		689,563,817

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Vichitbhan Palmoil Public Company Limited  
Statement of Cash Flows  
For the year ended 31 December 2023

	Notes	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Cash flows from operating activities</b>					
(Loss) profit before income tax		(115,232,729)	27,038,126	(79,424,311)	(5,728,165)
Adjustments for:					
Depreciation of property, plant and equipment	17	79,498,789	82,587,666	45,440,188	49,494,985
Amortisation of intangible assets	21	157,818	198,718	66,623	103,056
Depreciation of right-of-use assets	18	5,905,532	3,008,475	2,465,007	2,538,537
Loss on write off other receivables		279,890	-	178,956	-
Impairment losses on short-term loan to related parties	34.3	-	-	1,754,474	1,232,191
Impairment losses on interest receivables	11	-	-	323,416	204,652
Loss on devaluation value of inventories (reversal)	13	5,126,778	(1,701,635)	5,131,220	(1,700,056)
Reversal of allowance for obsolete inventories inventory		(31,186)	(169,379)	(23,723)	(141,806)
Loss on write-off of property, plant and equipment	17	2	-	-	-
Gain on disposal of property, plant and equipment	28	(649,115)	(917,297)	(315,788)	(401,147)
Gain on exchange rate		(4,936)	(744)	(4,936)	(744)
Employee benefit obligations	25	884,420	904,054	665,224	699,106
Interest expenses	30	6,369,839	7,994,369	5,275,454	6,967,177
Interest income	28	(57,967)	(23,564)	(2,156,946)	(1,007,150)
Share of loss from associate using equity method	15.1	423,647	127,696	-	-
Changes in operating assets and liabilities					
Trade and other receivables		14,441,979	15,235,268	15,265,177	17,529,821
Inventories		(22,108,011)	55,800,323	(21,240,864)	55,008,706
Other non-current assets		(309,060)	(2,937,586)	16,012	14,011
Trade and other payables		(669,432)	2,492,676	(10,468,955)	44,282,630
Increase in restricted cash at bank	14	(1,630,000)	-	-	-
Employee benefit paid	25.1	(3,578,476)	(1,301,820)	(1,895,503)	(1,140,413)
Cash (used in) generated from operations		(31,182,218)	188,335,346	(38,949,275)	167,955,391
Interest paid		(6,180,302)	(8,022,669)	(5,501,429)	(6,990,967)
Interest received		57,967	23,564	5,247,995	20,769
Income tax paid		(7,493,965)	(11,399,776)	(934,136)	(2,147,158)
Withholding tax received		1,501,066	536,750	1,429,246	203,702
<b>Net cash (used in) generated from operating activities</b>		<b>(43,297,452)</b>	<b>169,473,215</b>	<b>(38,707,599)</b>	<b>159,041,737</b>

  
**Mr. Krisada Chavananand**  
Managing Director

  
**Mr. Vatchara Chavananand**  
Director

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Vichitbhan Palmoil Public Company Limited  
Statement of Cash Flows (Cont'd)  
For the year ended 31 December 2023

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Cash payment for short-term loans to related parties	34.3	-	-	(35,115,000)	(44,669,000)
Cash received from repayments of short-term loans to related parties	34.3	-	-	19,700,000	25,430,000
Purchase of property, plant and equipment		(12,728,613)	(17,364,169)	(11,090,439)	(15,290,274)
Proceeds from disposals of property, plant and equipment		738,950	1,196,021	389,550	679,852
Purchase of intangible assets	21	(59,920)	(56,710)	(59,920)	(56,710)
Payments for acquisition of associate	15.1	(600,000)	(1,500,000)	-	-
Payments for acquisition of subsidiary	16.2	-	-	(3,500,000)	(3,500,000)
Net cash used in investing activities		(12,649,583)	(17,724,858)	(29,675,809)	(37,406,132)
<b>Cash flows from financing activities</b>					
Proceeds from short-term borrowings from financial institutions		968,000,000	1,422,000,000	968,000,000	1,422,000,000
Repayments of short-term borrowings from financial institutions		(896,000,000)	(1,542,000,000)	(896,000,000)	(1,542,000,000)
Repayments of lease liabilities	33	(5,173,325)	(2,887,549)	(2,453,481)	(2,413,469)
Repayments of long-term borrowings	24	(13,874,513)	(29,007,500)	-	-
Proceeds from non-controlling interests		2,100,000	1,500,000	-	-
Net cash generated from (used in) financing activities		55,052,162	(150,395,049)	69,546,519	(122,413,469)
<b>Net (decrease) increase in cash and cash equivalents</b>					
		(894,873)	1,353,308	1,163,111	(777,864)
Opening balance of cash and cash equivalents		1,112,548	(240,760)	(448,596)	329,268
Closing balance of cash and cash equivalents		217,675	1,112,548	714,515	(448,596)
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	10	1,639,088	2,401,358	720,022	356,161
Bank overdrafts	24	(1,421,413)	(1,288,810)	(5,507)	(804,757)
		217,675	1,112,548	714,515	(448,596)
<b>Non-cash transactions</b>					
Purchases of property, plant and equipment on credit		261,296	539,190	5,137	118,219
Right-of-use building under lease agreement	18	27,497,580	1,385,080	3,143,340	1,385,080



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

The notes to the consolidated and separate financial statements are an integral part of these financial statements.



## **1 General information**

Vichitbhan Palmoil Public Company Limited ("the Company") is a Public Company Limited which is incorporated and resident in Thailand. The address of the Company's registered office is as follows:

The Company's registered head office is located at 2044, Chavananand Building, Phetburi Extension Road, Bangkapi, Huaykwang, Bangkok.

The Company's Thasae factory is located at 29 Moo 3, Sap Anan, Thasae, Chumphon.

The Company's ThungKha factory is located at 170 Moo 6, ThungKha, Mueang, Chumphon.

The Company's is engaged in palm plantation and palm oil extraction.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

These Group consolidated and separate financial statements was authorised for issue by the Board of Directors on 20 February 2024.

## **2 Financial position**

As of 31 December 2023, the Group and the Company has the total current liabilities exceeding total current assets by Baht 67 million and Baht 45 million and loss for the year of Baht 115 million and Baht 79 million in the consolidated and separate financial statements, respectively. In addition, the Group and the Company have negative cash flow from operating activity of Baht 43 million and Baht 39 million, respectively. These resulted in doubt on the entity's ability to continue as a going concern. To ensure a proper basis of going concern, management has prepared a cash flow forecast and assured that the estimation can be achieved by increase the capacity to buy palm fruit due to the increase in palm plantation in Chumphon province and reach the farmer as much as possible, resulting more palm fruits. In addition, there is a policy to reduce costs both production and management continuously. It also has a policy to develop and improve production continuously so that every step of production is effective to the maximum effectiveness. Furthermore, the Group has enough borrowing facilities. Accordingly, the Group could continue its operations as a going concern, and to fulfil all its financial obligations now and in the future. The undertaking was provided for a minimum period of twelve months from the financial statement date and there after.

## **3 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except certain financial assets and liabilities (Including derivative instrument).

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.



  
**Mr. Krisada Chavananand**  
**Managing Director**

  
**Mr. Vatchara Chavananand**  
**Director**

#### 4 New and amended financial reporting standards

- 4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 have no significant impacts to the Group.
- 4.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and are relevant to the Group.

The following amended TFRSs were not mandatory for the current reporting period and the Group has not early adopted them.

- a) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.

The Group's management is assessing and considering the impact of the revised standards to the Group.

#### 5 Accounting policies

##### 5.1 Principles of consolidation

a) **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) **Associates**

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

c) **Equity method**

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures together with any long-term interests, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

**5 Accounting policies (Cont'd)**

**5.1 Principles of consolidation (Cont'd)**

**d) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

**e) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**5.2 Business combination**

**Business combination under common control**

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of (transferred to retained earnings).

**5.3 Foreign currency translation**

**a) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.



**Mr. Krisada Chavananand**  
Managing Director

**Mr. Vatchara Chavananand**  
Director



## 5 Accounting policies (Cont'd)

### 5.4 Cash and cash equivalents

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

### 5.5 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. Most of trade receivables have credit term around 7 - 15 days, so trade receivables are classified as current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

The impairment of trade receivables are disclosed in Note 5.7 (f).

### 5.6 Inventories

Inventories are stated at the lower of cost or net realisable value.

Costs of goods and supplies are determined by the first-in, first-out (FIFO) method. The cost of raw materials comprises both the purchase price and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs, overhead costs and directly attributable costs in bringing the inventories to their present location and condition.

### 5.7 Financial assets

#### a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

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

For investments in equity instruments, 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 (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

#### b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### c) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.





## 5 Accounting policies (Cont'd)

### 5.7 Financial assets (Cont'd)

#### d) Debt instruments

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

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains

#### e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in FVOCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

#### f) Impairment


For trade and other receivables, the Group applies the simplified approach according to TFRS9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.



  
**Mr. Krisada Chavananand**  
Managing Director

  
**Mr. Vatchara Chavananand**  
Director

## 5 Accounting policies (Cont'd)

### 5.7 Financial assets (Cont'd)

#### f) Impairment (Cont'd)

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weight estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and as a separate item

### 5.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation is calculated on the straight-line basis to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life or, if it is shorter, the lease term, as follows:

Building and building improvement	10 - 44 years
Machinery	5 - 27 years
Tool equipment and fixture	4 - 20 years
Office equipment	1 - 24 years
Vehicle	4 - 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

### 5.9 Investment property

Investment property of the Group included land that the Group is held without having objective for future use.

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs.

Land is not depreciated.



  
**Mr. Krisada Chavananand**  
Managing Director

  
**Mr. Vatchara Chavananand**  
Director

5 Accounting policies (Cont'd)

5.10 Deferred palm plantation cost

Palm plantation cost is recorded by cost method less accumulated amortisation. Amortisation is calculated when palm trees begin to bear fruits which are expected to be in the fourth year by using the straight line method throughout the fruit bearing life of palm trees, which is expected to be for 20 years from the first fruit bearing year. The maintaining cost of palm trees after the first fruit bearing year is recorded as expense in the income statement as soon as it occurred.

5.11 Other intangible assets

Research and development

Research expenditure is recognised as an expense as incurred.

Expenses incurred on development projects are recognised when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line method basis over the period of its expected benefit, not exceeding 5 years.

Electricity production license

Expenses incurred on the process of renewal of electricity production are recognised when it is probable that the license will be success considering its commercial and technological feasibility, and only if the cost can be measured reliably.

Cost of electricity production license is amortised over their useful life 10 years.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs and these costs are amortised over their estimated useful lives 5 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

5.12 Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

## 5 Accounting policies (Cont'd)

### 5.13 Leases

#### Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of copy machine.

### 5.14 Financial liabilities

#### a) Classification

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.





**Mr. Krisada Chavananand**  
Managing Director



**Mr. Vatchara Chavananand**  
Director



5 Accounting policies (Cont'd)

5.14 Financial liabilities (Cont'd)

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

5.15 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised.
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

5 Accounting policies (Cont'd)

5.16 Employee benefits

**Short-term employee benefits**

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

**Defined contribution plan**

The Group pays contributions to a separate fund on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

**Defined benefit plans**

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated each three years by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

**Termination benefits**

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

5.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

  
  
**Mr. Krisada Chavananand**  
**Managing Director**  
  
**Mr. Vatchara Chavananand**  
**Director**

## 5 Accounting policies (Cont'd)

### 5.19 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

The Group manufactures and sells crude palmoil. Sales are recognized when control of the products has transferred, being when the products are delivered. Delivery occurs when the products have been shipped to the specific location. The Group has accepted the products in accordance with the sales contract. Revenues of the Group are recognised when a performance obligation is satisfied at point in time.

The Group recognises revenue under the dialysis service over the time when rendering services to customer according to the agreements. If the Group receives consideration more than the services rendered, the Group recognises the excess consideration as a contract liability. On the other hand, if the Group receives consideration less than the services rendered, the Group recognises the consideration as a contract asset.

### 5.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

### 5.21 Segment reporting

Segment information has been prepared based on the internal report of the Group, which disaggregates its business by services or products.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

## 6 Financial risk management

The group's exposure to financial risks and how these risks could affect the future financial performance are as follows:

Risk	Exposure arising from	Measurement	Management
Market risk - foreign exchange	Financial assets and liabilities not denominated in Thai Baht	Cash flow forecasts	Foreign currency forwards as appropriate
Market risk - interest rate	Long-term borrowings at variable rates	Cash flow forecasts	Interest rate swaps as appropriate
Credit risk	Cash and cash equivalents, trade and other receivables	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.



Mr. Krisada Chavananand

Managing Director

Sm w-wm

Mr. Vatchara Chavananand

## 6 Financial risk management (Cont'd)

### 6.1 Financial risk factors

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Group Treasury Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for Treasury team globally.

#### 6.1.1 Market risk

##### a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk primarily the US Dollars and RM Malaysia. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities. The Group manage this risk by entering into forward exchange contracts when it considers appropriate.

##### Risk

The Group's and the Company's have foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	Consolidated and Separate financial statements			
	As at 31 December 2023		As at 31 December 2022	
	US Dollar Baht	Malaysian Ringgit Baht	US Dollar Baht	Malaysian Ringgit Baht
Trade and other payables	-	246,021	-	65,342

The aggregate net foreign gains/losses recognised in profit or loss were:

	Consolidated financial statements		Separate Financial statements	
	2023	2022	2023	2022
	Baht	Baht	Baht	Baht
Net foreign exchange loss recognised in profit (loss) before income tax for the year	(5,829,501)	(25,104,671)	(5,829,501)	(25,104,671)

The change in foreign exchange rate does not have a significant impact to the Group.



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director



6 Financial risk management (Cont'd)

6.1 Financial risk factors (Cont'd)

6.1.1 Market risk (Cont'd)

a) Foreign exchange risk (Cont'd)

Sensitivity

As shown in the table above, the Company is primarily exposed to changes in Baht/Malaysian Ringgit exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in Malaysian Ringgit and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

	Impact to net profit	
	2023 Baht	2022 Baht
Malaysian Ringgit to Baht exchange rate - increase 5% (2022: 5%)*	12,301	3,267
Malaysian Ringgit to Baht exchange rate - decrease 5% (2022: 5%)*	(12,301)	(3,267)

\* Holding all other variables constant

b) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in Baht.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	Consolidated financial statements			
	2023		2022	
	Baht	% of total loans	Baht	% of total loans
Variable rate borrowings	1,421,413	1%	15,163,323	15%
Fixed rate borrowings - repricing dates	160,000,000	99%	88,000,000	85%
	161,421,413	100%	103,163,323	100%

	Separate financial statements			
	2023		2022	
	Baht	% of total loans	Baht	% of total loans
Variable rate borrowings	5,507	0%	804,757	1%
Fixed rate borrowings - repricing dates	160,000,000	100%	88,000,000	99%
	160,005,507	100%	88,804,757	100%

As at 31 December 2023, the Group does not have long term borrowing due over one year, the change in interest rate do not have significant impact to the Group.

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings. An analysis by maturities is provided in note 6.1.3

c) Price risk

The Group is exposed to oil price risk from substantial fluctuations in oil prices in the world market.



## 6 Financial risk management (Cont'd)

### 6.1 Financial risk factors (Cont'd)

#### 6.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at a) amortised cost, b) at fair value through other comprehensive income (FVOCI) and c) at fair value through profit or loss (FVPL), derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

##### a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'B' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors and/or regions

##### b) Impairment of financial assets

The Group and the Company has 2 types of financial assets that are subject to the expected credit loss model:

- Trade and other receivables
- Loan to related parties

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

##### *Trade receivables*

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The management didn't set the provision of allowance for trade receivables due to the customer can paid within credit period.

##### *Loan to related party*

The Group has measured loans to related party by preparing the cash flow projection which is based on the related party's business plan for considering the ability to repay and calculating the expected credit loss. The Company regularly reassessed the incremental of related party's credit risk.

#### 6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held cash and deposits at call of Baht 1,639,088 (2022: Baht 2,401,358) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Due to the dynamic nature of the underlying businesses, the group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors a) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and b) cash and cash equivalents. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.



6 Financial risk management (Cont'd)

6.1 Financial risk factors (Cont'd)

6.1.3 Liquidity risk (Cont'd)

a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Floating rate</b>				
Expiring within one year				
- Bank loans	1,720,889,784	1,793,022,387	1,705,905,690	1,777,106,440
Expiring beyond one year				
- Bank loans	103,000,000	103,000,000	-	-
	1,823,889,784	1,896,022,387	1,705,905,690	1,777,106,440

The Group mortgages lands together with construction, machinery and equipment as collaterals against the above loans as well as the transfer of beneficiary on the insurance to the lenders. These are also guaranteed by the directors of the Company and subsidiaries.

b) Maturity of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities; and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Maturity of financial liabilities	Consolidated financial statements				Carrying amount Baht
	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht	
<b>As at 31 December 2023</b>					
<b>Non - derivatives</b>					
Bank overdrafts and short- term loans from financial institutions	161,421,413	-	-	161,421,413	161,421,413
Trade payables and other payables	6,599,929	-	-	6,599,929	6,599,929
Lease liabilities	7,731,186	25,214,515	1,182,122	34,127,823	30,967,024
Retention	-	29,786	-	29,786	29,786
<b>Total financial liabilities that is not derivatives</b>	175,752,528	25,244,301	1,182,122	202,178,951	199,018,152
<b>Total</b>	175,752,528	25,244,301	1,182,122	202,178,951	199,018,152



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

6 Financial risk management (Cont'd)

6.1 Financial risk factors (Cont'd)

6.1.3 Liquidity risk (Cont'd)

b) Maturity of financial liabilities (Cont'd)

Maturity of financial liabilities	Consolidated financial statements				Carrying amount Baht
	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht	
<b>As at 31 December 2022</b>					
<b>Non - derivatives</b>					
Bank overdrafts and short-term loans from financial institutions	89,288,810	-	-	89,288,810	89,288,810
Trade payables and other payables	8,027,082	-	-	8,027,082	8,027,082
Lease liabilities	3,046,509	4,655,354	2,971,200	10,673,063	8,503,977
Long-term borrowing from financial institutions	13,874,513	-	-	13,874,513	13,874,513
Retention	-	29,786	-	29,786	29,786
<b>Total financial liabilities that is not derivatives</b>	<b>114,236,914</b>	<b>4,685,140</b>	<b>2,971,200</b>	<b>121,893,254</b>	<b>119,724,168</b>
<b>Total</b>	<b>114,236,914</b>	<b>4,685,140</b>	<b>2,971,200</b>	<b>121,893,254</b>	<b>119,724,168</b>
Maturity of financial liabilities	Separate financial statements				Carrying amount
	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht	
<b>As at 31 December 2023</b>					
<b>Non - derivatives</b>					
Bank overdrafts and short-term loans from financial institutions	160,005,507	-	-	160,005,507	160,005,507
Trade payables and other payables	42,738,391	-	-	42,738,391	42,738,391
Lease liabilities	2,230,130	6,818,913	1,141,000	10,190,052	8,902,796
Retention	-	29,786	-	29,786	29,786
<b>Total financial liabilities that is not derivatives</b>	<b>204,974,037</b>	<b>6,848,699</b>	<b>1,141,000</b>	<b>212,963,736</b>	<b>211,676,480</b>
<b>Total</b>	<b>204,974,037</b>	<b>6,848,699</b>	<b>1,141,000</b>	<b>212,963,736</b>	<b>211,676,480</b>
Maturity of financial liabilities	Separate financial statements				Carrying amount
	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht	
<b>As at 31 December 2022</b>					
<b>Non - derivatives</b>					
Bank overdrafts and short-term loans from financial institutions	88,804,757	-	-	88,804,757	88,804,757
Trade payables and other payables	55,897,558	-	-	55,897,558	55,897,558
Lease liabilities	2,556,909	4,652,219	2,971,200	10,180,328	8,180,712
Retention	-	29,786	-	29,786	29,786
<b>Total financial liabilities that is not derivatives</b>	<b>147,259,224</b>	<b>4,682,005</b>	<b>2,971,200</b>	<b>154,912,429</b>	<b>152,912,813</b>
<b>Total</b>	<b>147,259,224</b>	<b>4,682,005</b>	<b>2,971,200</b>	<b>154,912,429</b>	<b>152,912,813</b>





## 6 Financial risk management (Cont'd)

### 6.2 Capital management

#### 6.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### *Loan covenants*

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants as at 31 December 2023 :

- the gearing ratio must be between 0 - 2.5, and
- the Debt Service Coverage ratio must be not less than 1.25

## 7 Fair value

As at 31 December 2023, the Group has no financial assets and financial liabilities that are measured at fair value because most of them classified as current portion. Borrowings and loans carry interest rate close to the market rate and floating interest rates. The Group's management believes that the fair value of the Group's financial assets and financial liabilities do not significant change from the book value of those financial assets and financial liabilities.

The estimated fair value of financial assets and financial liabilities with a residual maturity less than one year is close to their face value less the amount that has been adjusted from the credit level. The fair value of financial liabilities used for disclosure is estimated based on discounted cash flow that the Group or the Company can borrow using similar financial instruments interest rate at the current market rate.

The measurement of fair value of financial assets and financial liabilities is in accordance with the accounting policies disclosed in Note 5.7 and Note 5.14

## 8 Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Estimated impairment of asset**

The Group tests whether asset, which comprise investment in subsidiaries and property, plant, and equipment, has suffered any impairment, in accordance with the accounting policy stated in Note 5.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell as appropriate. These calculations require the use of estimates. Disclosures about estimated impairment of investment in subsidiaries and property, plant, and equipment are provided in Note 16 and 17 respectively.

#### **Allowance for obsolete, slow-moving and defective inventories**

The Group has made allowance, where necessary, for obsolete, slow-moving and defective inventories by estimating the net realisable value was calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses. Furthermore, the calculation of the net realisable estimation was based on historical experiences, management's knowledge of the industry and future market trends.



Mr. Krisada Chavananand  
Managing Director



Mr. Vatchara Chavananand  
Director

## 8 Critical estimates and judgements (Cont'd)

### Retirement benefits

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 25.

### Consolidation of an entity with less than 50% ownership

Management consider that the Group has de facto control over Sakonnakhon Ragtai Co., Ltd. and Phanna Ragtai Co., Ltd. even though it has less than 50% of the voting rights. The Group is the major shareholder of Sakonnakhon Ragtai Co., Ltd. and Phanna Ragtai Co., Ltd. with a 49% equity interest, while all other shareholders individually own less than 50% of its equity shares. However, the Group has majority of the voting rights in the board of directors according to the shareholders agreement. There is no history of other shareholders forming a group to exercise their votes collectively.

### Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers a) the underlying asset condition and/or b) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

### Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

### Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

## 9 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Managing Director that makes strategic decisions.

The Group's examines the Group's performance both from a product and geographic perspective and has identified 2 reportable segments of the Group's businesses as follows:

- 1) Crude palm oil and kernel production
- 2) Kidney dialysis

Although, the Group has power plant business but it doesn't solely generate income since it has to use wastewater from crude palm oil production. On the other hand, the palm oil plant could not operate without wastewater treatment from power plant. Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of revenue, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.



Mr. Krisada Chavananand

Managing Director

Mr. Vatchara Chavananand

Mr. Vatchara Chavananand

9 Segment information (Cont'd)

Significant information relating to revenue and profit of the reportable segments are as follows:

Financial information by business segment

	Consolidated financial information		
	Crude palm oil and kernel production Baht	Kidney dialysis Baht	Total Baht
<b>For the year ended 31 December 2023</b>			
Revenues from operation	1,177,667,020	3,770,561	1,181,437,581
Total revenues	1,177,667,020	3,770,561	1,181,437,581
Segment results	(104,507,347)	(3,931,896)	(108,439,243)
Share of loss of investment in associate		(423,647)	(423,647)
Finance costs			(6,369,839)
Loss before income tax expense			(115,232,729)
Income tax			(369,183)
Loss for the period from continuing operations			(115,601,912)
<b>Timing of revenue recognition</b>			
At a point in time	1,177,667,020	-	1,177,667,020
Over time	-	3,770,561	3,770,561
Total revenues	1,177,667,020	3,770,561	1,181,437,581
	Consolidated financial information		
	Crude palm oil and kernel production Baht	Kidney dialysis Baht	Total Baht
<b>For the year ended 31 December 2022</b>			
Revenues from operation	2,348,538,717	-	2,348,538,717
Total revenues	2,348,538,717	-	2,348,538,717
Segment results	36,643,251	(1,483,060)	35,160,191
Share of loss of investment in associate		(127,696)	(127,696)
Finance costs			(7,994,369)
Profit before income tax expense			27,038,126
Income tax			(11,113,662)
Profit for the period from continuing operations			15,924,464
<b>Timing of revenue recognition</b>			
At a point in time	2,348,538,717	-	2,348,538,717
Total revenues	2,348,538,717	-	2,348,538,717

Information about major customer

The Group has 3 major customers which operate in crude palm oil and kernel businesses. The revenue generated from those customers is 79.02% of total revenue in the consolidated statement of comprehensive income for the year ended 31 December 2023 (2022 : 3 major customers amounting to 80.22%).



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director



10 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Cash on hand	138,076	115,031	44,575	51,044
Cash at banks				
Current accounts	1,285,423	582,644	625,819	256,704
Saving accounts	215,589	1,703,683	49,628	48,413
	1,639,088	2,401,358	720,022	356,161

As at 31 December 2023, deposits held at call with banks carry interest at the rate of 0.13% - 1.45% per annum (2022: 0.13% - 1.00% per annum).

11 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Third parties				
- Trade accounts receivable	24,633,572	39,560,291	22,317,811	37,717,419
- Unbilled revenue	2,413,189	2,647,929	-	-
Total	27,046,761	42,208,220	22,317,811	37,717,419
Less Loss allowance	-	-	-	-
Trade accounts receivable, net	27,046,761	42,208,220	22,317,811	37,717,419
Amounts due from related parties	348,961	274,099	16,733,447	20,005,459
Less Loss allowance	-	-	(2,581,133)	(2,257,717)
Amounts due from related parties, net (Note 34.2)	348,961	274,099	14,152,314	17,747,742
Prepaid expenses	3,066,778	3,009,016	1,562,864	1,648,270
Advances	14,739	111,832	4,562	98,690
Others	1,014,482	2,106,119	565,242	329,097
Total other receivable	4,095,999	5,226,967	2,096,668	2,076,057
Less Loss allowance	-	(1,495,696)	-	(115,827)
Other receivable, net	4,095,999	3,731,271	2,096,668	1,960,230
Trade and other receivables, net	31,491,721	46,213,590	38,566,793	57,425,391

Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director



11 Trade and other receivables (Cont'd)

The loss allowance was determined as follows for trade receivables:

Consolidated financial statements						
	Current Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
<b>31 December 2023</b>						
Gross carrying amount						
- unbilled revenue	2,413,189	-	-	-	-	2,413,189
- trade receivables	24,633,572	-	-	-	-	24,633,572
Loss allowance	-	-	-	-	-	-
<b>31 December 2022</b>						
Gross carrying amount						
- unbilled revenue	2,647,929	-	-	-	-	2,647,929
- trade receivables	39,560,291	-	-	-	-	39,560,291
Loss allowance	-	-	-	-	-	-
Separate financial statements						
	Current Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
<b>31 December 2023</b>						
Gross carrying amount						
- trade receivables	22,317,811	-	-	-	-	22,317,811
Loss allowance	-	-	-	-	-	-
<b>31 December 2022</b>						
Gross carrying amount						
- trade receivables	37,717,419	-	-	-	-	37,717,419
Loss allowance	-	-	-	-	-	-

The reconciliations of loss allowance for trade receivables for the year ended 31 December are as follow:

Consolidated financial statements				
Amounts due from related parties		Other receivable		
2023 Baht	2022 Baht	2023 Baht	2022 Baht	
Opening loss allowance as at 1 January	-	(1,495,696)	(1,495,696)	
Write-off bad debt during the year	-	1,495,696	-	
Closing loss allowance at 31 December	-	-	(1,495,696)	
Separate financial statements				
Amounts due from related parties		Other receivable		
2023 Baht	2022 Baht	2023 Baht	2022 Baht	
Opening loss allowance as at 1 January	(2,257,717)	(115,827)	(115,827)	
(Increase) in loss allowance recognised in profit or loss during the year	(323,416)	-	-	
Write-off bad debt during the year	-	115,827	-	
Closing loss allowance at 31 December	(2,581,133)	(2,257,717)	(115,827)	



Mr. Krisada Chavananand  
Managing Director

Mr. Vatchara Chavananand  
Director

## 12 Financial assets and financial liabilities

Classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Financial assets</b>				
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	1,639,088	2,401,358	720,022	356,161
Restricted cash in bank	1,630,000	-	-	-
Trade and other receivables	25,607,456	40,387,041	37,035,367	55,794,258
Short-term loan to related parties	-	-	47,612,568	33,952,042
Other non-current assets	176,732	178,732	115,050	117,050
<b>Financial liabilities</b>				
<b>Financial liabilities at amortised cost</b>				
Bank overdrafts and short-term loans from financial institutions	161,421,413	89,288,810	160,005,507	88,804,757
Trade and other payables	6,599,929	8,027,082	42,738,391	55,897,558
Current portion of long-term borrowing	-	13,874,513	-	-
Current portion of lease liabilities	7,060,225	2,539,937	2,323,603	2,216,672
Lease liabilities	23,906,799	5,964,040	6,579,193	5,964,040
Retention	29,786	29,786	29,786	29,786

### 12.1 Other financial assets at amortised cost

#### a) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

*Other receivables*

These amounts generally arise from transactions outside the usual operating activities of the Group.

## 13 Inventories

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Finished good	72,488,331	50,289,552	72,544,197	50,899,476
Spare parts	11,183,770	11,677,576	9,890,857	10,361,640
Supplies	2,322,678	1,919,640	1,577,797	1,510,871
<b>Total</b>	<b>85,994,779</b>	<b>63,886,768</b>	<b>84,012,851</b>	<b>62,771,987</b>
<b>Less</b> Allowance for decline values of inventories and obsolete	<b>(6,304,948)</b>	<b>(1,209,356)</b>	<b>(6,043,320)</b>	<b>(935,823)</b>
<b>Inventories</b>	<b>79,689,831</b>	<b>62,677,412</b>	<b>77,969,531</b>	<b>61,836,164</b>



*Mr. Krisada Chavananand*  
Managing Director

*Mr. Vatchara Chavananand*  
Director

### 13 Inventories (Cont'd)

During the years ended 2023 and 2022, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Cost of inventories included in cost of sales	1,007,225,539	2,086,911,202	1,041,804,056	2,127,774,189
Write-down inventories to net realizable value (Reversal)	5,126,778	(1,701,635)	5,131,220	(1,700,056)

### 14 Restricted cash at bank

The Group had restricted cash at bank in fixed deposit accounts as a collateral for bank guarantee and credit agreement with financial institution as follows:

	Consolidated financial statement	
	2023 Baht	2022 Baht
Restricted cash at bank expired within one year	1,500,000	-
Restricted cash at bank expired over one year	130,000	-
Restricted cash at bank	1,630,000	-

### 15 Investment in associate

#### 15.1 Interests in associate

The material investments in associate is as follows:

Entity name	Nature of business	Country of incorporation	% Ownership interest		Consolidated financial statements Investment in Equity method		Separate financial statements Investment in Cost method	
			2023 (%)	2022 (%)	2023 (Baht)	2022 (Baht)	2023 (Baht)	2022 (Baht)
<b>Associate under</b>	<b>Ragtai Center Co., Ltd.</b>							
Mukdahan Ragtai Co., Ltd. (Indirect shareholding)	Kidney dialysis	Thailand	21.00	21.00	1,548,657	1,372,304	-	-

#### a) Commitments and contingent liabilities in respect of associate

There are no contingent liabilities in respect of the Group's interest in associate.



*Mr. Krisada Chavananand*  
Managing Director

*Mr. Vatchara Chavananand*  
Director

15 Investment in associate (Cont'd)

15.1 Interests in associate (Cont'd)

b) Summarised financial information for associate

The table below is summarised of financial information for associates that are material to the Group. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

	Mukdahan Ragtai Co., Ltd.	
	2023 Baht	2022 Baht
Summarised of performance		
Revenue	8,173,160	-
Loss from continuing operations	(9,587,317)	(425,654)
Total comprehensive expense	(1,414,157)	(425,654)
Summarised of statement of financial position		
Current assets	2,995,244	1,421,532
Non-current assets	7,986,491	4,420,027
Current liabilities	2,428,462	1,267,213
Non-current liabilities	3,391,084	-
Net assets	5,162,189	4,574,346
Reconciliation to carrying amounts:		
Closing net assets	5,162,189	4,574,346
Group's share in associates (30%)	1,548,657	1,372,304

c) Change in investment in associate

	Consolidated financial statement	
For the year ended 31 December	2023 Baht	2022 Baht
Opening net book amount	1,372,304	-
Increase in investment	600,000	1,500,000
Share of loss	(423,647)	(127,696)
Closing net book amount	1,548,657	1,372,304

2023

On 24 April 2023, the Executive Committee Meeting No. 3/2023 of Ragtai Center Co., Ltd. approved to invest in the Mukdahan Ragtai Co., Ltd. by increase share capital of 100,000 shares at Baht 20 per share totaling Baht 2,000,000, the Company approved to acquire 30,000 shares at Baht 20 per share totaling Baht 600,000 to maintain the ownership interest of 30%. On 27 April 2023, Ragtai Center Co., Ltd. paid 100% of shareholding interest totaling Baht 600,000.



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director



## 15 Investment in associate (Cont'd)

### 15.1 Interests in associate (Cont'd)

#### c) Change in investment in associate (Cont'd)

##### 2022

On 19 July 2022, the Executive Committee Meeting No. 24/2022 of the Company approved Ragtai Center Co., Ltd. to invest in the Mukdahan Ragtai Co., Ltd., a newly established company in Thailand, the business of kidney dialysis service by acquiring of 30,000 shares at Baht 20 per share totaling Baht 600,000, equivalent to 30% of Mukdahan Ragtai Co., Ltd. On 18 August 2022, Ragtai Center Co. Ltd. paid 100% of shareholding interest totaling Baht 600,000.

On 9 November 2022, the Executive Committee Meeting No. 37/2022 of the Company approved Ragtai Center Co., Ltd. to invest in the Mukdahan Ragtai Co., Ltd. by increase share capital of 150,000 shares at Baht 20 per share totaling Baht 3,000,000, the company approved to acquired 45,000 shares at Baht 20 per share totaling Baht 900,000 to maintain the ownership interest of 30%. On 17 November 2022, Ragtai Center Co. Ltd. paid 100% of shareholding interest totaling Baht 900,000.

## 16 Investments in subsidiaries

### 16.1 Investment details

Entity name	Nature of business	Country of Incorporation	Ownership interest held by Company		Ownership interest held by the Group		Ownership interest held by non-controlling interest	
			2023 (%)	2022 (%)	2023 (%)	2022 (%)	2023 (%)	2022 (%)
Subsidiaries								
Vichitbhan Plantation Co., Ltd.	Oil palm plantation and distribution its production	Thailand	99.99	99.99	-	-	0.01	0.01
VG Energy Co., Ltd.	Generating and selling electric power	Thailand	99.99	99.99	-	-	0.01	0.01
Vichitbhan Logistics Co., Ltd.	Transportation business	Thailand	99.99	99.99	-	-	0.01	0.01
Ragtai Center Co., Ltd.	Kidney dialysis	Thailand	70.00	-	-	-	30.00	-
Subsidiaries under Ragtai Center Co., Ltd.								
Sakonnakhon Ragtai Co., Ltd	Kidney dialysis	Thailand	-	-	49.00	-	51.00	-
Phanna Ragtai Co., Ltd	Kidney dialysis	Thailand	-	-	49.00	-	51.00	-

### 16.2 Movements of investments

	Separate financial statements	
	2023 Baht	2022 Baht
Investment in subsidiaries - at cost	538,108,348	534,608,348
<u>Less</u> Allowance for impairment	(230,000,000)	(230,000,000)
Closing net book amount	308,108,348	304,608,348



  
**Mr. Krisada Chavananand**  
Managing Director

  
**Mr. Vatchara Chavananand**  
Director

## 16 Investments in subsidiaries (Cont'd)

### 16.2 Movements of investments (Cont'd)

Movements of investments in subsidiaries for the years ended 31 December 2023 and 2022 are as follows:

For the year ended 31 December	Separate financial statements	
	2023 Baht	2022 Baht
Opening net book amount	304,608,348	301,108,348
Increase in investment	3,500,000	3,500,000
Closing net book amount	308,108,348	304,608,348
<b>Increase in investment</b>		

On 31 March 2023, the Company paid 50% remaining shareholding interest of Ragtai Center Co., Ltd. (Ragtai Center) totaling Baht 3,500,000 for 1,400,000 shares, equivalent to 70% of Ragtai Center Co., Ltd.

On 21 July 2023, the Executive Committee Meeting No. 5/2023 of Ragtai Center Co., Ltd. approved to invest in the Sakonnakhon Ragtai Co., Ltd., a newly established company in Thailand, the business of kidney dialysis service by acquiring of 140,000 shares at Baht 5 per share totaling Baht 700,000, equivalent to 70% of Sakonnakhon Ragtai Co., Ltd.

On 18 October 2023, the Executive Committee Meeting No. 8/2023 of Ragtai Center Co., Ltd. approved to invest in the Phanna Ragtai Co., Ltd., a newly established company in Thailand, the business of kidney dialysis service by acquiring of 140,000 shares at Baht 5 per share totaling Baht 700,000, equivalent to 70% of Phanna Ragtai Co., Ltd.

On 12 July 2022, the Executive Committee Meeting No. 23/2022 of the Company passed a resolution to invest in the Ragtai Center Company Limited (Ragtai Center), a newly established company in Thailand, the business of kidney dialysis service by acquiring of 1,400,000 shares at Baht 5 per share totaling Baht 7,000,000, equivalent to 70% of Ragtai Center Company Limited. On 18 July 2022, the Company paid 25% of shareholding interest totaling Baht 1,750,000. On 28 November 2022, the Company paid 25% of shareholding interest totaling Baht 1,750,000.

#### Impairment

A subsidiary, which operates a power plant, has continuously incurred losses over the past years. Therefore, management performed an impairment assessment of the investment in this subsidiary.

The recoverable amount of Cash Generating Unit (CGU) including investment in a subsidiary is based on value in use. These calculations used pre-tax cash flow projections based on financial budgets for 20 years. The cash flows are extrapolated using assumptions including the estimated of palm fruits production by comparing the estimate with the historical production trend data and pre-tax discount rate that reflects risks relating to the same industry using a rate of 11.68% for the separate financial statement. The management concluded that there is no additional impairment in 2023.

The recoverable amount is calculated based on value in use exceed carrying value. In case of an increased or decreased discount rate by 0.50%, value in use will be less than carrying value, which results in no loss from impairment.

### 16.3 Non-controlling interest

Total non-controlling interest at 31 December 2023 of Baht 1.71 million (2022 : Baht 1.02 million) belongs to Ragtai Center Co., Ltd. Total amount of non-controlling interest is considered immaterial to the Group's equity.



  
**Mr. Krisada Chavananand**  
Managing Director

  
**Mr. Vatchara Chavananand**  
Director


**Vichitthan Palmoil Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2023**

**17 Property, plant and equipment**

Consolidated financial statements										
	Land Baht	Building and building improvement Baht	Machinery Baht	Factory equipment and tool Baht	Office equipment and fixtures Baht	Vehicle Baht	Equipment for sprinkler project Baht	Medical equipment Baht	Construction in progress Baht	Total Baht
<b>At 1 January 2022</b>										
Cost	77,365,627	578,848,692	2,037,736,313	54,169,239	63,349,137	109,395,249	12,934,549	-	3,731,231	2,937,530,037
Less Accumulated depreciation	-	(332,973,662)	(1,643,371,020)	(44,120,944)	(51,806,169)	(101,701,938)	(12,934,543)	-	-	(2,186,908,276)
Allowance for impairment	-	(17,699,369)	(63,113,642)	-	(384,700)	-	-	-	-	(81,197,711)
<b>Net book value</b>	<b>77,365,627</b>	<b>228,175,661</b>	<b>331,251,651</b>	<b>10,048,295</b>	<b>11,158,268</b>	<b>7,693,311</b>	<b>6</b>	<b>-</b>	<b>3,731,231</b>	<b>669,424,050</b>
<b>For the year ended 31 December 2022</b>										
Opening net book value	77,365,627	228,175,661	331,251,651	10,048,295	11,158,268	7,693,311	6	-	3,731,231	669,424,050
Additions	-	-	1,772,683	1,198,357	2,362,757	2,250,000	-	363,813	9,790,727	17,738,337
Disposals, net	-	-	(59,403)	(147,662)	(69,628)	(2,031)	-	-	-	(278,724)
Depreciation charge	-	(16,732,026)	(59,459,898)	(3,194,554)	(1,433,688)	(1,766,296)	-	(1,204)	-	(82,587,666)
<b>Closing net book value</b>	<b>77,365,627</b>	<b>211,443,635</b>	<b>273,505,033</b>	<b>7,904,436</b>	<b>12,017,709</b>	<b>8,174,984</b>	<b>6</b>	<b>362,609</b>	<b>13,521,958</b>	<b>604,295,997</b>
<b>At 31 December 2022</b>										
Cost	77,365,627	578,304,274	2,033,196,325	53,785,562	62,725,101	106,083,300	12,934,549	363,813	13,521,958	2,938,280,509
Less Accumulated depreciation	-	(349,680,307)	(1,696,577,650)	(45,881,126)	(50,322,692)	(97,908,316)	(12,934,543)	(1,204)	-	(2,253,305,838)
Allowance for impairment	-	(17,180,332)	(63,113,642)	-	(384,700)	-	-	-	-	(80,678,674)
<b>Net book value</b>	<b>77,365,627</b>	<b>211,443,635</b>	<b>273,505,033</b>	<b>7,904,436</b>	<b>12,017,709</b>	<b>8,174,984</b>	<b>6</b>	<b>362,609</b>	<b>13,521,958</b>	<b>604,295,997</b>



  
**Mr. Krisada Chavananand**  
**Managing Director**

  
**Mr. Vatchara Chavananand**  
**Director**



Vichitbhan Palmoil Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2023

17 Property, plant and equipment (Cont'd)

		Consolidated financial statements									
		Land Baht	Building and building improvement Baht	Machinery Baht	Factory equipment and tool Baht	Office equipment and fixtures Baht	Vehicle Baht	Equipment for sprinkle project Baht	Medical equipment Baht	Construction in progress Baht	Total Baht
<b>At 1 January 2023</b>											
Cost	77,365,627	578,304,274	2,033,196,325	53,785,562	62,725,101	106,083,300	12,934,549	363,813	13,521,958	2,938,280,509	
Less Accumulated depreciation	-	(349,680,307)	(1,696,577,650)	(45,881,126)	(50,322,692)	(97,908,316)	(12,934,543)	(1,204)	-	(2,253,305,838)	
Allowance for impairment	-	(17,180,332)	(63,113,642)	-	(384,700)	-	-	-	-	(80,678,674)	
Net book value	77,365,627	211,443,635	273,505,033	7,904,436	12,017,709	8,174,984	6	362,609	13,521,958	604,295,997	
<b>For the year ended 31 December 2023</b>											
Opening net book value	77,365,627	211,443,635	273,505,033	7,904,436	12,017,709	8,174,984	6	362,609	13,521,958	604,295,997	
Additions	-	-	1,489,445	511,556	1,470,094	839,001	-	324,180	7,816,443	12,450,719	
Transfer	-	558,295	2,085,427	-	944,428	-	-	-	(3,588,150)	-	
Reclassified from right-of-use assets (Note 18)	-	-	-	-	-	1	-	-	-	1	
Disposals, net	-	-	(42)	(53,630)	(36,157)	(6)	-	-	-	(39,835)	
Write-off, net	-	-	-	(2)	-	-	-	-	-	(2)	
Depreciation charge	-	(29,497,391)	(39,213,641)	(7,145,057)	(1,563,749)	(1,991,720)	-	(87,231)	-	(79,498,789)	
Closing net book value	77,365,627	182,504,539	237,866,222	1,217,303	12,832,323	7,022,260	6	599,558	17,750,251	537,158,091	
<b>At 31 December 2023</b>											
Cost	77,365,627	578,862,569	2,027,574,053	51,964,020	61,877,567	104,053,238	12,934,549	687,993	17,750,251	2,933,069,867	
Less Accumulated depreciation	-	(379,177,698)	(1,726,594,189)	(50,746,717)	(48,660,542)	(97,030,978)	(12,934,543)	(88,435)	-	(2,315,233,102)	
Allowance for impairment	-	(17,180,332)	(63,113,642)	-	(384,700)	-	-	-	-	(80,678,674)	
Net book value	77,365,627	182,504,539	237,866,222	1,217,303	12,832,323	7,022,260	6	599,558	17,750,251	537,158,091	

  
  
**Mr. Krisada Chavananand**  
 Managing Director

  
**Mr. Vatchara Chavananand**  
 Director



**Vichitbhan Palmoil Public Company Limited**

## 17 Property, plant and equipment (Cont'd)

Separate financial statements										
		Building and building improvement Baht	Machinery Baht	Factory equipment and tool Baht	Office equipment and fixtures Baht	Vehicle Baht	Equipment for sprinkle project Baht	Construction in progress Baht	Total Baht	
At 1 January 2022										
Cost		134,881,529	365,070,179	1,102,711,028	47,835,805	26,721,299	31,977,219	12,751,948	4,040,521	1,725,989,528
Less Accumulated depreciation		-	(162,081,896)	(954,721,017)	(35,262,560)	(22,650,759)	(31,641,141)	(12,751,944)	-	(1,219,109,317)
Allowance for impairment		-	(10,495,432)	(313,642)	-	(369,200)	-	-	-	(11,178,274)
Net book value		134,881,529	192,492,851	147,676,369	12,573,245	3,701,340	336,078	4	4,040,521	495,701,937
For the year ended 31 December 2022										
Opening net book value		134,881,529	192,492,851	147,676,369	12,573,245	3,701,340	336,078	4	4,040,521	495,701,937
Additions		-	-	454,750	1,107,682	1,782,609	-	-	9,420,430	12,765,471
Disposals, net		-	-	(59,403)	(147,661)	(69,613)	(2,027)	-	-	(278,704)
Depreciation charge		-	(13,034,826)	(31,470,666)	(3,056,609)	(1,706,623)	(226,261)	-	-	(49,494,985)
Closing net book value		134,881,529	179,458,025	116,601,050	10,476,657	3,707,713	107,790	4	13,460,951	458,693,719
At 31 December 2022										
Cost		134,881,529	365,070,179	1,096,853,107	47,376,117	25,624,786	31,102,272	12,751,948	13,460,951	1,727,120,889
Less Accumulated depreciation		-	(175,116,722)	(979,938,414)	(36,899,460)	(21,547,873)	(30,994,482)	(12,751,944)	-	(1,257,248,895)
Allowance for impairment		-	(10,495,432)	(313,643)	-	(369,200)	-	-	-	(11,178,275)
Net book value		134,881,529	179,458,025	116,601,050	10,476,657	3,707,713	107,790	4	13,460,951	458,693,719

  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

Vichitbhan Palmoil Public Company Limited  
Notes to the Consolidated and Separate Financial Statements  
For the year ended 31 December 2023

17 Property, plant and equipment (Cont'd)

	Separate financial statements								
	Land Baht	Building and building improvement Baht	Machinery Baht	Factory equipment and tool Baht	Office equipment and fixtures Baht	Vehicle Baht	Equipment for sprinkle project Baht	Construction in progress Baht	Total Baht
At 1 January 2023									
Cost	134,881,529	365,070,179	1,096,853,107	47,376,117	25,624,786	31,102,272	12,751,948	13,460,951	1,727,120,889
Less Accumulated depreciation	-	(175,116,722)	(979,938,414)	(36,899,460)	(21,547,873)	(30,994,482)	(12,751,944)	-	(1,257,248,895)
Allowance for impairment	-	(10,495,432)	(313,643)	-	(369,200)	-	-	-	(11,178,275)
Net book value	134,881,529	179,458,025	116,601,050	10,476,657	3,707,713	107,790	4	13,460,951	458,693,719
For the year ended 31 December 2023									
Opening net book value	134,881,529	179,458,025	116,601,050	10,476,657	3,707,713	107,790	4	13,460,951	458,693,719
Additions	-	-	915,525	444,741	954,118	414,000	-	6,148,973	8,877,357
Transfer	-	-	886,983	-	663,400	-	-	(1,550,383)	-
Reclassified from right-of-use assets	-	-	-	-	-	1	-	-	1
(Note 18)	-	-	(23)	(43,344)	(30,391)	(4)	-	-	(73,762)
Disposals, net	-	-	(10,973,201)	(7,026,526)	(1,619,797)	(74,778)	-	-	(45,440,188)
Depreciation charge	-	(25,745,886)	(10,973,201)	(7,026,526)	(1,619,797)	(74,778)	-	-	(45,440,188)
Closing net book value	134,881,529	153,712,139	107,430,334	3,851,528	3,675,043	447,009	4	18,059,541	422,057,127
At 31 December 2023									
Cost	134,881,529	365,070,179	1,095,156,361	46,924,808	25,257,228	30,125,210	12,751,948	18,059,541	1,728,226,804
Less Accumulated depreciation	-	(200,862,608)	(987,412,384)	(43,073,280)	(21,212,985)	(29,678,201)	(12,751,944)	-	(1,294,991,402)
Allowance for impairment	-	(10,495,432)	(313,643)	-	(369,200)	-	-	-	(11,178,275)
Net book value	134,881,529	153,712,139	107,430,334	3,851,528	3,675,043	447,009	4	18,059,541	422,057,127



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

## 17 Property, plant and equipment (Cont'd)

Capital expenditure contracted for at the statement of financial position date, but not recognised in the financial statements is presented as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		2023 Baht	2022 Baht	2023 Baht	2022 Baht
Property, plant and equipment	Baht	3,726,043	4,577,763	3,726,043	4,577,763

Amortisation recognised in profit and loss that are related to property, plant and equipment are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Cost of goods sold	69,295,440	73,008,430	37,604,506	41,911,084
Administrative expense	10,203,349	9,579,236	7,835,683	7,583,901
Total	79,498,789	82,587,666	45,440,188	49,494,985

### Impairment

Since a factory has been shut down and another factory's operating yield has been low, management assessed the recoverable amount of property, plant and equipment and right-of-use assets based on value in use.

The recoverable amount of Cash Generating Unit (CGU) including property, plant and equipment and right-of-use assets is calculated based on value in use. These calculations used pre-tax cash flow projections based on financial budgets for 20 years. The cash flows are extrapolated using assumptions including the estimated of palm fruits production by comparing the estimate with the historical production trend data and pre-tax discount rate that reflects risks relating to the same industry using a rate of 12.59% for the consolidated and the separate financial statement. The management concluded that there is no additional impairment in 2023.

The recoverable amount is calculated based on value in use exceed carrying value. In case of an increased or decreased discount rate by 0.50%, value in use still exceed carrying value, which results in no loss from impairment.

As at 31 December 2023, the Company and subsidiaries have mortgaged the land together with construction and part of machines at the book value of Baht 368,134,158 (2022: Baht 410,320,920). In the Company financial statements, the Company has mortgaged its land together with construction and part of machines at the book value of Baht 228,074,354 (2022: Baht 246,310,662) as collaterals for bank overdraft, short-term and long-term borrowings (Notes 24).

## 18 Right-of-use assets

Right-of-use asset balance are as follows:

  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

Ramps  
Land  
Vehicles  
Building  
Equipment



Total

	Consolidated financial statements		Separate financial statements	
	31 December 2023 Baht	31 December 2022 Baht	31 December 2023 Baht	31 December 2022 Baht
Ramps	5,291,811	4,989,310	5,291,811	4,989,310
Land	1,848,461	2,140,044	1,848,461	2,140,044
Vehicles	16,293,923	879,501	572,996	879,501
Building	3,028,664	574,335	1,234,962	261,043
Equipment	3,712,378	-	-	-
Total	30,175,237	8,583,190	8,948,230	8,269,898



**Vichitbhan Palmoil Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2023**

**18 Right-of-use assets (Cont'd)**

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements					
	Ramps Baht	Lands Baht	Buildings Baht	Vehicles Baht	Equipment Baht	Total Baht
Balance as at 1 January 2022	5,787,777	2,431,627	551,342	1,435,839	-	10,206,585
Addition	690,080	-	695,000	-	-	1,385,080
Depreciation charge	(1,488,547)	(291,583)	(366,841)	(861,504)	-	(3,008,475)
Balance as at 31 December 2022	4,989,310	2,140,044	879,501	574,335	-	8,583,190
Addition	1,754,006	-	3,064,142	18,432,178	4,247,254	27,497,580
Classified as property, plant, equipment (Note 17)	-	-	-	(1)	-	(1)
Depreciation charge	(1,451,505)	(291,583)	(914,979)	(2,712,589)	(534,876)	(5,905,532)
Balance as at 31 December 2023	5,291,811	1,848,461	3,028,664	16,293,923	3,712,378	30,175,237

	Separate financial statements				
	Ramps Baht	Lands Baht	Buildings Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2022	5,787,777	2,431,627	652,609	551,342	9,423,355
Addition	690,080	-	-	695,000	1,385,080
Depreciation charge	(1,488,547)	(291,583)	(391,566)	(366,841)	(2,538,537)
Balance as at 31 December 2022	4,989,310	2,140,044	261,043	879,501	8,269,898
Addition	1,754,006	-	1,389,334	-	3,143,340
Classified as property, plant, equipment (Note 17)	-	-	-	(1)	(1)
Depreciation charge	(1,451,505)	(291,583)	(415,415)	(306,504)	(2,465,007)
Balance as at 31 December 2023	5,291,811	1,848,461	1,234,962	572,996	8,948,230

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use


For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Expense relating to leases of low-value assets	190,176	200,507	190,176	200,507
Total cash outflow for leases	6,107,055	3,150,759	2,733,128	2,661,159

**19 Investment property**

	Consolidated financial statements	
	2023 Baht	2022 Baht
As at 31 December		
Cost - Land	1,150,000	1,150,000
Net book amount	1,150,000	1,150,000
Fair value	2,806,820	2,806,820

The fair value of investment properties are based on the valuation of Department of Land by using the local market sales comparison approach. The fair values are within level 2 of the fair value hierarchy.

  
**Mr. Krisada Chavananand**  
**Managing Director**

  
**Mr. Vatchara Chavananand**  
**Director**



20 Deferred palm plantation cost

	Consolidated financial statements		
	Palm plantation Baht	Palm seedlings cost Baht	Total Baht
<b>At 31 December 2022</b>			
Cost	200,344,298	23,401	200,367,699
<u>Less</u> Accumulated amortisation	(200,185,464)	-	(200,185,464)
<u>Less</u> Allowance for impairment	(158,834)	(23,401)	(182,235)
Net book value	-	-	-
<b>At 31 December 2023</b>			
Cost	200,344,298	23,401	200,367,699
<u>Less</u> Accumulated amortisation	(200,185,464)	-	(200,185,464)
<u>Less</u> Allowance for impairment	(158,834)	(23,401)	(182,235)
Net book value	-	-	-
	Separate financial statements		
	Palm plantation Baht	Palm seedlings cost Baht	Total Baht
<b>At 31 December 2022</b>			
Cost	47,973,024	-	47,973,024
<u>Less</u> Accumulated amortisation	(47,909,659)	-	(47,909,659)
<u>Less</u> Allowance for impairment	(63,365)	-	(63,365)
Net book value	-	-	-
<b>At 31 December 2023</b>			
Cost	47,973,024	-	47,973,024
<u>Less</u> Accumulated amortisation	(47,909,659)	-	(47,909,659)
<u>Less</u> Allowance for impairment	(63,365)	-	(63,365)
Net book value	-	-	-

The deferred palm plantation cost was on the land where permit has been granted for beneficial utilisation or residing in the sanctuary of the Nation Rub-Ror Reserve Forest and Sa-Lui Forest by the director-general of Royal Forest Department (Note 35.1).



  
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**Mr. Vatchara Chavananand**  
Director

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20 Intangible assets

	Consolidated financial statements			Separate financial statements		
	Computer program Baht	Cost of research and development in progress Baht	Cost of electricity Production license Baht	Total Baht	Computer program Baht	Total Baht
<b>At 1 January 2022</b>						
Cost	10,401,699	8,042,000	832,928	19,276,627	10,175,068	10,175,068
Less Accumulated amortisation	(9,997,890)	-	(98,120)	(10,096,010)	(9,986,670)	(9,986,670)
Allowance for impairment	-	(8,042,000)	-	(8,042,000)	-	-
Closing net book value	403,809	-	734,808	1,138,617	188,398	188,398
<b>For the year ended 31 December 2022</b>						
Opening net book value	403,809	-	734,808	1,138,617	188,398	188,398
Additions	56,710	-	-	56,710	56,710	56,710
Amortisation	(113,010)	-	(85,708)	(198,718)	(103,056)	(103,056)
Closing net book value	347,509	-	649,100	996,609	142,052	142,052
<b>At 31 December 2022</b>						
Cost	10,458,409	8,042,000	832,928	19,333,337	10,231,778	10,231,778
Less Accumulated amortisation	(10,110,900)	-	(183,828)	(10,294,728)	(10,089,726)	(10,089,726)
Allowance for impairment	-	(8,042,000)	-	(8,042,000)	-	-
Closing net book value	347,509	-	649,100	996,609	142,052	142,052



  
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21 Intangible assets (Cont'd)

	Consolidated financial statements			Separate financial statements		
	Computer program Baht	Cost of research and development in progress Baht	Cost of electricity Production license Baht	Total Baht	Computer program Baht	Total Baht
<b>For the year ended 31 December 2023</b>						
Opening net book value	347,509	-	649,100	996,609	142,052	142,052
Additions	59,920	-	-	59,920	59,920	59,920
Amortisation	(72,109)	-	(85,709)	(157,818)	(66,623)	(66,623)
Closing net book value	335,320	-	563,391	898,711	135,349	135,349
<b>At 31 December 2023</b>						
Cost	10,518,329	8,042,000	832,928	19,393,257	10,291,698	10,291,698
Less Accumulated amortisation	(10,183,009)	-	(269,537)	(10,452,546)	(10,156,349)	(10,156,349)
Allowance for impairment	-	(8,042,000)	-	(8,042,000)	-	-
Closing net book value	335,320	-	563,391	898,711	135,349	135,349

  
Mr. Krisada Chavananand  
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Mr. Vatchara Chavananand  
Director



## 21 Intangible assets (Cont'd)

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Administrative expense	157,818	198,718	66,623	103,056

## 22 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities are as follows:


	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	336,594	32,281	-	-
Deferred tax asset to be recovered after more than 12 months	2,684,197	3,261,479	1,438,026	1,438,026
	3,020,791	3,293,760	1,438,026	1,438,026
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be recovered within 12 months	-	-	-	-
Deferred tax liability to be recovered after more than 12 months	(1,200,417)	(1,104,203)	(9,086)	(20,505)
	(1,200,417)	(1,104,203)	(9,086)	(20,505)
<b>Deferred tax, net</b>	<b>1,820,374</b>	<b>2,189,557</b>	<b>1,428,940</b>	<b>1,417,521</b>

The gross movement in the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
At 1 January	2,189,557	1,959,499	1,417,521	986,572
(Charged) credited to profit or loss (Note 31)	(369,183)	(178,066)	11,419	30,148
Credited to other comprehensive income	-	408,124	-	400,801
At 31 December	1,820,374	2,189,557	1,428,940	1,417,521



  
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22 Deferred income tax (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements			
	At 1 January 2022 Baht	Charged (credited) to profit or loss Baht	Credited to other comprehensive income Baht	At 31 December 2022 Baht
<b>Deferred tax assets</b>				
Allowance for decline values of inventory	212,650	-	-	212,650
Employee benefit	1,460,648	2,835	408,124	1,871,607
Impairment loss of assets	1,311,562	(102,059)	-	1,209,503
<b>Total</b>	<b>2,984,860</b>	<b>(99,224)</b>	<b>408,124</b>	<b>3,293,760</b>
	Consolidated financial statements			
	At 1 January 2023 Baht	Charged to profit or loss Baht	Credited to other comprehensive income Baht	At 31 December 2023 Baht
<b>Deferred tax assets</b>				
Allowance for decline values of inventory	212,650	-	-	212,650
Employee benefit	1,871,607	(272,969)	-	1,598,638
Impairment loss of assets	1,209,503	-	-	1,209,503
<b>Total</b>	<b>3,293,760</b>	<b>(272,969)</b>	<b>-</b>	<b>3,020,791</b>
	Consolidated financial statements			
	1 January 2022 Baht	Charged (credited) to profit or loss Baht	Charged to other comprehensive income Baht	At 31 December 2022 Baht
<b>Deferred tax liabilities</b>				
Depreciation	(976,442)	(108,479)	-	(1,084,921)
Right-of-use assets	(48,919)	29,637	-	(19,282)
<b>Total</b>	<b>(1,025,361)</b>	<b>(78,842)</b>	<b>-</b>	<b>(1,104,203)</b>
	Consolidated financial statements			
	At 1 January 2023 Baht	Charged (credited) to profit or loss Baht	Charged to other comprehensive income Baht	At 31 December 2023 Baht
<b>Deferred tax liabilities</b>				
Depreciation	(1,084,921)	(108,479)	-	(1,193,400)
Right-of-use assets	(19,282)	12,265	-	(7,017)
<b>Total</b>	<b>(1,104,203)</b>	<b>(96,214)</b>	<b>-</b>	<b>(1,200,417)</b>



  
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22 Deferred income tax (Cont'd)

	Separate financial statements			
	At 1 January 2022 Baht	Charged to profit or loss Baht	Credited to other comprehensive income Baht	At 31 December 2022 Baht
<b>Deferred tax assets</b>				
Allowance for decline values of inventory	212,235	-	-	212,235
Employee benefit	824,990	-	400,801	1,225,791
<b>Total</b>	<b>1,037,225</b>	<b>-</b>	<b>400,801</b>	<b>1,438,026</b>
	Separate financial statements			
	At 1 January 2023 Baht	Charged to profit or loss Baht	Credited to other comprehensive income Baht	At 31 December 2023 Baht
<b>Deferred tax assets</b>				
Allowance for decline values of inventory	212,235	-	-	212,235
Employee benefit	1,225,791	-	-	1,225,791
<b>Total</b>	<b>1,438,026</b>	<b>-</b>	<b>-</b>	<b>1,438,026</b>
	Separate financial statements			
	At 1 January 2022 Baht	Charged to profit or loss Baht	Charged to other comprehensive income Baht	At 31 December 2022 Baht
<b>Deferred tax liabilities</b>				
Right-of-use assets	(50,653)	30,148	-	(20,505)
<b>Total</b>	<b>(50,653)</b>	<b>30,148</b>	<b>-</b>	<b>(20,505)</b>
	Separate financial statements			
	At 1 January 2023 Baht	Charged to profit or loss Baht	Charged to other comprehensive income Baht	At 31 December 2023 Baht
<b>Deferred tax liabilities</b>				
Right-of-use assets	(20,505)	11,419	-	(9,086)
<b>Total</b>	<b>(20,505)</b>	<b>11,419</b>	<b>-</b>	<b>(9,086)</b>



  
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Director

## 22 Deferred income tax (Cont'd)

The statements of financial position show the analysis of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Deferred tax assets	3,022,861	3,274,478	1,428,940	1,417,521
Deferred tax liability	(1,202,487)	(1,084,921)	-	-
Deferred tax, net	1,820,374	2,189,557	1,428,940	1,417,521

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 55,793,763 (2022: Baht 131,337,652) in respect of tax losses Baht 278,968,813 (2022: Baht 656,688,261) to carry forward against future taxable income.

A summary of the tax losses carried forward and the expiry dates are set out below:


Expiry year	Consolidated financial statements Baht	Separate financial statements Baht
2024	58,073,503	20,147,328
2025	52,556,167	10,132,584
2026	28,619,102	-
2027	29,327,724	5,130,638
2028	110,392,317	72,130,483

## 23 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Trade account payables - third parties	804,967	1,733,576	804,967	1,733,576
Trade account payables - related parties (Note 34.2)	-	-	35,965,266	45,886,872
Amounts due to related parties (Note 34.2)	400,797	1,372,040	2,779,700	5,491,320
Payable for purchase of supplies	4,529,238	4,337,427	3,183,321	2,667,571
Payable for purchase of assets	261,296	539,190	5,137	118,219
Accrued expenses	5,362,333	4,746,480	3,801,977	3,440,079
Withholding tax payable	546,687	520,606	330,001	391,480
Other	1,051,714	609,230	241,133	377,558
Trade and other payables	12,957,032	13,858,549	47,161,502	60,106,675



  
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Director



## 24 Borrowings

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Current portion</b>				
Bank overdraft	1,421,413	1,288,810	5,507	804,757
Short-term loans from financial institutions	160,000,000	88,000,000	160,000,000	88,000,000
<b>Total bank overdraft and short-term loans from financial institutions</b>	<b>161,421,413</b>	<b>89,288,810</b>	<b>160,005,507</b>	<b>88,804,757</b>
<b>Current portion of long-term borrowings</b>				
- Lease liabilities	7,060,225	2,539,937	2,323,603	2,216,672
- Bank borrowings	-	13,874,513	-	-
<b>Total current portion of long-term borrowings</b>	<b>7,060,225</b>	<b>16,414,450</b>	<b>2,323,603</b>	<b>2,216,672</b>
<b>Non-current portion of long-term borrowings</b>				
- Lease liabilities	23,906,799	5,964,040	6,579,193	5,964,040
<b>Total non-current portion of long-term borrowings</b>	<b>23,906,799</b>	<b>5,964,040</b>	<b>6,579,193</b>	<b>5,964,040</b>
<b>Total borrowings</b>	<b>192,388,437</b>	<b>111,667,300</b>	<b>168,908,303</b>	<b>96,985,469</b>

The borrowings include secured liabilities (lease and bank borrowings) in a total amount of Baht 7,060,225 (2022: Baht 16,414,450). The bank borrowings are secured over a part of the land and buildings of the Group/Company (Note 17). Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The effective interest rates at the statement of financial position date are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 %	2022 %	2023 %	2022 %
Bank overdrafts and short-term loans from financial institutions	7.30 - 7.75	6.34 - 6.65	7.30 - 7.75	6.34 - 6.65
Long-term borrowings from financial institutions	-	3.97	-	3.97

Short-term loans carried an interest at the fixed interest rate and assumed to approximate their fair value, as the impact of discounting is not significant.



  
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Director

## 24 Borrowings (Cont'd)

Long-term borrowings (excluded leases liabilities) equal their carrying amount because interest rate of long-term borrowings is floating rates and assumed to approximate market interest rate.

The movements in bank borrowings (exclude lease liabilities) can be analysed as follows:

	Consolidated financial statements	
	2023 Baht	2022 Baht
Opening balance	13,874,513	42,882,013
Repayments	(13,874,513)	(29,007,500)
Closing balance	-	13,874,513

Under the loan agreement, the Group has to comply with loan covenants such as maintaining the debt to equity ratio and debt service coverage ratio.

Lease liabilities-minimum lease payments are as follows:


	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Not later than 1 year	7,731,186	3,046,509	2,230,139	2,556,909
Later than 1 year but not later than 5 years	25,214,515	4,655,354	6,818,913	4,652,219
Later than 5 years	1,182,122	2,971,200	1,141,000	2,971,200
	34,127,823	10,673,063	10,190,052	10,180,328
<u>Less</u> Future finance charges on leases	(3,160,799)	(2,169,086)	(1,287,256)	(1,999,616)
Present value of lease liabilities	30,967,024	8,503,977	8,902,796	8,180,712

The present value of lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Not later than 1 year	7,060,225	2,539,937	1,762,129	2,216,672
Later than 1 year but not later than 5 years	22,803,752	3,244,448	6,078,906	3,244,448
Later than 5 years	1,103,047	2,719,592	1,061,761	2,719,592
	30,967,024	8,503,977	8,902,796	8,180,712



  
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Director

25 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Statement of financial position:				
Retirement benefits	8,733,388	11,427,444	6,740,290	7,970,569
Liability in the statement of financial position	8,733,388	11,427,444	6,740,290	7,970,569
Profit or loss charge included in operating profit for:				
Retirement benefits	884,420	904,054	665,224	699,106
	884,420	904,054	665,224	699,106
Remeasurement for:				
Retirement benefits	-	2,069,311	-	2,004,007
	-	2,069,311	-	2,004,007

25.1 Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Present value of unfunded obligation	8,733,388	11,427,444	6,740,290	7,970,569
Liability in the statement of financial position	8,733,388	11,427,444	6,740,290	7,970,569

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
At 1 January	11,427,444	9,755,899	7,970,569	6,407,868
Current service cost	654,349	669,422	483,347	510,776
Interest cost	230,071	234,632	181,877	188,330
	12,311,864	10,659,953	8,635,793	7,106,974
Remeasurements:				
Gain from change in demographic assumptions	-	(217,271)	-	(79,082)
Loss from change in financial assumptions	-	168,233	-	81,592
Experience loss	-	2,118,349	-	2,001,498
	-	2,069,311	-	2,004,008
Payment from plans:				
Benefit paid	(3,578,476)	(1,301,820)	(1,895,503)	(1,140,413)
At 31 December	8,733,388	11,427,444	6,740,290	7,970,569





25 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2023 %	2022 %	2023 %	2022 %
Discount rate				
For monthly employees	1.09 - 3.77	1.09 - 3.77	2.22	2.22
For daily employees	1.94 - 3.04	1.94 - 3.04	1.94	1.94
Future salary increases				
For monthly employees	4.11	4.11	4.11	4.11
For daily employees	2.81	2.81	2.81	2.81
Turnover rate				
For monthly employees	0 - 23	0 - 23	0 - 23	0 - 23
For daily employees	0 - 34	0 - 34	0 - 34	0 - 34

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2023	2022	Increase in assumption		Decrease in assumption	
			2023	2022	2023	2022
Discount rate	0.5%	0.5%	Decrease by 0.81% - 5.72%	Decrease by 0.23% - 6.14%	Increase by 0.87% - 6.16%	Increase by 0.25% - 6.64%
Salary growth rate	0.5%	0.5%	Increase by 0.86% - 6.99%	Increase by 0.23% - 6.96%	Decrease by 0.80% - 6.51%	Decrease by 0.22% - 6.47%
Turnover rate	0.5%	0.5%	Decrease by 0.62% - 7.64%	Decrease by 0.19% - 7.60%	Increase by 0.67% - 8.31%	Increase by 0.21% - 8.27%

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2023	2022	Increase in assumption		Decrease in assumption	
			2023	2022	2023	2022
Discount rate	0.5%	0.5%	Decrease by 3.43%	Decrease by 3.34%	Increase by 3.65%	Increase by 3.55%
Salary growth rate	0.5%	0.5%	Increase by 4.51%	Increase by 3.92%	Decrease by 4.27%	Decrease by 3.72%
Turnover rate	0.5%	0.5%	Decrease by 5.04%	Decrease by 4.39%	Increase by 5.38%	Increase by 4.67%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The weighted average duration of the defined benefit obligation is 12 years (2022: 12 years) for monthly employees.

The weighted average duration of the defined benefit obligation is 10 years (2022: 10 years) for daily employees.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans other long-term employee benefit, the company is exposed to a number of risks, the most significant of which are detailed below:



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

## 25 Employee benefit obligations (Cont'd)

### Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements				Total Baht
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	
<b>At 31 December 2023</b>					
Retirement benefits	2,428,144	533,668	2,304,421	5,667,642	10,933,875
<b>Total</b>	<b>2,428,144</b>	<b>533,668</b>	<b>2,304,421</b>	<b>5,667,642</b>	<b>10,933,875</b>

	Consolidated financial statements				Total Baht
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	
<b>At 31 December 2022</b>					
Retirement benefits	3,017,012	2,428,144	2,012,034	7,890,822	15,348,012
<b>Total</b>	<b>3,017,012</b>	<b>2,428,144</b>	<b>2,012,034</b>	<b>7,890,822</b>	<b>15,348,012</b>

	Separate financial statements				Total Baht
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	
<b>At 31 December 2023</b>					
Retirement benefits	1,369,911	411,016	2,087,173	6,034,124	9,902,224
<b>Total</b>	<b>1,369,911</b>	<b>411,016</b>	<b>2,087,173</b>	<b>6,034,124</b>	<b>9,902,224</b>

	Separate financial statements				Total Baht
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	
<b>At 31 December 2022</b>					
Retirement benefits	1,334,040	1,369,911	1,697,701	6,385,528	10,787,180
<b>Total</b>	<b>1,334,040</b>	<b>1,369,911</b>	<b>1,697,701</b>	<b>6,385,528</b>	<b>10,787,180</b>

## 26 Share capital

	Authorised share capital		Issued and fully paid-up share capital		
	Number of shares	Ordinary shares Baht	Number of shares	Ordinary shares Baht	Share premium Baht
<b>At 1 January 2022</b>					
Issuance of shares	940,000,000	940,000,000	940,000,000	940,000,000	227,888,500
<b>At 31 December 2022</b>					
Issuance of shares	940,000,000	940,000,000	940,000,000	940,000,000	227,888,500
<b>At 31 December 2023</b>					
	940,000,000	940,000,000	940,000,000	940,000,000	227,888,500

The total number of authorised ordinary shares is 940,000,000 shares (2022: 940,000,000 shares) with a par value of Baht 1 per share (2022: Baht 1 per share). All issued shares are fully paid.



**Vichitbhan Palmoil Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2023**

**27 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
At 1 January	25,300,000	25,300,000	25,300,000	25,300,000
Appropriation during the year	-	-	-	-
At 31 December	25,300,000	25,300,000	25,300,000	25,300,000

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital of the Company. The reserve is non-distributable.

**28 Other income**

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Interest income	57,967	23,564	2,156,946	1,007,150
Insurance claim	176,456	455,326	135,506	135,975
Gain on disposal of equipment	649,115	917,297	315,788	401,147
Others	1,599,874	465,025	1,205,709	261,271
	2,483,412	1,861,212	3,813,949	1,805,543

**29 Expenses by nature**

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Depreciation of property and equipment (Note 17)	79,498,789	82,587,666	45,440,188	49,494,985
Depreciation of right-of-use assets (Note 18)	5,905,532	3,008,475	2,465,007	2,538,537
Amortisation of intangible assets (Note 21)	157,818	198,718	66,623	103,056
Transportation expense	7,723,853	11,714,276	19,534,555	20,986,554
Repairs and maintenance expenditure	46,422,750	39,865,763	41,670,922	36,160,833
Salary and wages and other employee benefits	109,394,114	105,443,815	81,424,101	82,521,347
(Reversal of) loss from reducing inventory to net realisable value	5,100,019	(1,869,436)	5,107,498	(1,841,862)
Raw material and supplies used	752,924,983	1,761,213,514	736,662,297	1,746,743,689
Changes in finished goods decrease (increase)	21,842,077	(56,590,219)	21,644,720	(56,524,918)
Outsource wages	11,613,859	15,329,156	-	-

**30 Finance costs**

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Interest expense:				
Bank borrowings	5,520,966	7,692,148	4,963,582	6,680,477
Lease liabilities	848,873	302,221	311,872	286,700
	6,369,839	7,994,369	5,275,454	6,967,177

*Over w.m.*



Interest expense:  
Bank borrowings  
Lease liabilities

**Mr. Krisada Chavananand**  
**Managing Director**

**Mr. Vatchara Chavananand**  
**Director**



**Vichitbhan Palmoil Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2023**

**31 Income tax**

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Current tax:				
Current tax on profits for the year	-	10,935,596	-	-
Adjustments in respect of prior year	-	-	-	-
<b>Total current tax</b>	-	10,935,596	-	-
Deferred tax (Note 22)	369,183	178,066	(11,419)	(30,148)
<b>Total deferred tax</b>	369,183	178,066	(11,419)	(30,148)
<b>Total tax benefit (expense)</b>	369,183	11,113,662	(11,419)	(30,148)

The tax on the Group's (loss) profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
(Loss) profit before tax	(115,232,729)	27,038,126	(79,424,311)	(5,728,165)
Tax calculated at a tax rate of 20% (2022: 20%)	(23,046,546)	5,407,625	(15,884,862)	(1,145,633)
Tax effect of:				
Expenses not deductible for tax purpose	4,580,611	354,771	1,447,347	97,147
Tax losses for which no deferred income tax asset was recognised	21,638,504	5,848,973	14,426,096	1,018,338
Deferred tax expense relating to the origination and reversal of temporary differences	-	103,807	-	-
Unrealised losses from intercompany transaction	(2,803,386)	(601,514)	-	-
<b>Tax charge</b>	369,183	11,113,662	(11,419)	(30,148)

The weighted average applicable tax rate was 0.32% and 0.01% (2022: 41.10% and 0.53%) for consolidated and company financial statements, respectively.

**32 (Loss) earnings per share**

Basic (loss) earnings per share is calculated by dividing the (loss) profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
(Loss) profit attributable to ordinary shareholders of the Company (Baht)	(114,197,254)	16,407,691	(79,412,892)	(5,698,017)
Weighted average number of ordinary shares outstanding (Shares)	940,000,000	940,000,000	940,000,000	940,000,000
<b>Basic (loss) earnings per share (Baht per share)</b>	(0.12)	0.02	(0.08)	(0.01)

There is no potential dilutive ordinary share in issue during the year.



  
**Mr. Krisada Chavananand**  
**Managing Director**

  
**Mr. Vatchara Chavananand**  
**Director**

33 Change in liabilities arising from financing activities

	Liabilities from financing activities				
	Consolidated financial statements			Separate financial statements	
	Lease Baht	Short term borrowing Baht	Long term borrowing Baht	Lease Baht	Short term borrowing Baht
Liabilities at 1 January 2022	9,967,435	208,000,000	42,882,013	9,170,091	208,000,000
Cash flows					
- principle	(2,887,549)	(120,000,000)	(29,007,500)	(2,413,469)	(120,000,000)
- interest	(263,210)	-	-	(247,690)	-
Acquisitions - leases	1,385,080	-	-	1,385,080	-
Amortisation of prepaid interest expense	302,221	-	-	286,700	-
Liabilities at 31 December 2022	8,503,977	88,000,000	13,874,513	8,180,712	88,000,000
Cash flows					
- principle	(5,173,325)	72,000,000	(13,874,513)	(2,453,481)	72,000,000
- interest	(933,730)	-	-	(279,647)	-
Acquisitions - leases	27,497,580	-	-	3,143,340	-
Amortisation of prepaid interest expense	1,072,522	-	-	311,872	-
Liabilities at 31 December 2023	30,967,024	160,000,000	-	8,902,796	160,000,000

34 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

The Group is controlled by Family Chavanand which owns 99.10% of the Company's shares.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The significant investments in subsidiaries and associate, are set out in Note 16 and Note 15, respectively.

Other related companies are companies belonging to directors and directors' family of the Company and is therefore related parties.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Company's name	Relationship	Related by
Vichitbhan Plantation Co., Ltd.	Subsidiary	Direct shareholding
VG Energy Co., Ltd.	Subsidiary	Direct shareholding
Vichitbhan Logistics Co., Ltd.	Subsidiary	Direct shareholding
Ragtai Center Co., Ltd.	Subsidiary	Direct shareholding
Mukdahan Ragtai Co., Ltd.	Associate	Indirect shareholding
Vichitbhan Construction Co., Ltd.	Related company	Common directors
Chavananand Holding Co., Ltd.	Related company	Common directors and direct and indirect shareholding
Chokananchumporn Co., Ltd.	Related company	Related person



Mr. Krisada Chavananand  
Managing Director

Mr. Vatchara Chavananand  
Director

34 Related party transactions (Cont'd)

34.1 Transactions with related parties

The following significant transactions were carried out with related parties:


	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Sales of goods and service</b>				
<b>Sales of goods</b>				
Subsidiaries	-	-	432,456	664,336
	-	-	432,456	664,336
<b>Interest income</b>				
Subsidiaries	-	-	2,110,972	986,382
	-	-	2,110,972	986,382
<b>Sales of services</b>				
Subsidiaries	-	-	58,772	66,926
Related parties	234,845	118,652	52,870	88,652
	234,845	118,652	111,642	155,578
<b>Purchase of goods and service</b>				
<b>Purchase of palm fruits</b>				
Subsidiary	-	-	33,668,733	92,534,884
<b>Service for office building</b>				
Related party	2,395,557	2,211,283	1,098,334	1,013,846
<b>Transportation expense</b>				
Subsidiary	-	-	11,818,664	9,281,131
<b>Purchasing supplies</b>				
Related party	8,482,980	19,283,355	4,203,460	10,877,420

As at 31 December 2023, the Group entered into service agreements relating to the rental of offices with related company. The term is 3 years started on 1 September 2023 till 31 August 2026 with the yearly rental fee of Baht 2.61 million.

As at 31 December 2023, a subsidiary company entered into a right of superficies agreement with the Company where the Company granted the right of superficies for the land on which the biogas power projects are located for the period of 30 years without any fee charged commencing from April 2009 and July 2009 and the contractual periods can be extended for another 10 years. The subsidiary company agrees to purchase the Decanter Cake from the Company to produce electricity.



  
**Mr. Krisada Chavananand**  
Managing Director

  
**Mr. Vatchara Chavananand**  
Director

34 Related party transactions (Cont'd)

34.2 Outstanding balances arising from sales and purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
<b>Other receivable - net</b>				
Subsidiaries - Non - trade	-	-	455,387	689,221
- accrued interest income	-	-	13,402,058	16,816,522
Related parties	348,961	274,099	294,869	241,999
	348,961	274,099	14,152,314	17,747,742
<b>Trade account payables</b>				
Subsidiaries	-	-	35,965,266	45,886,872
<b>Other payables</b>				
Subsidiaries	-	-	2,600,000	4,700,000
Related parties	400,797	1,372,040	179,700	791,320
	400,797	1,372,040	2,779,700	5,491,320

34.3 Short-term loans to related parties

	Separate financial statements	
	2023 Baht	2022 Baht
<b>Short-term loans to subsidiaries</b>		
Book amount	52,147,000	36,732,000
<u>Less</u> Lifetime expected credit losses of asset	(4,534,432)	(2,779,958)
Net book amount	47,612,568	33,952,042

Expected credit losses for the year

The reconciliations of loss allowance for financial assets at amortised cost for the year ended 31 December are as follows:

	Separate financial statements	
	2023 Baht	2022 Baht
Opening loss allowance as at 1 January	(2,779,958)	(1,547,767)
Recognised lifetime expected credit losses of asset	(1,754,474)	(1,232,191)
Closing loss allowance as at 31 December	(4,534,432)	(2,779,958)



  
**Mr. Krisada Chavananand**  
Managing Director

  
**Mr. Vatchara Chavananand**  
Director



### 34 Related party transactions (Cont'd)

#### 34.3 Short-term loans to related parties (Cont'd)

The movements of short-term loans to related parties are shown below.

	Separate financial statements	
	2023 Baht	2022 Baht
<b>For the year ended 31 December 2023</b>		
<b>Subsidiaries:</b>		
Opening balance	33,952,042	15,945,233
Loans advanced during the year	35,115,000	44,669,000
Loans repayments received during the year	(19,700,000)	(25,430,000)
Recognised lifetime expected credit losses of asset	(1,754,474)	(1,232,191)
Closing balance	47,612,568	33,952,042

Loan to subsidiaries are unsecured and carry interest at rate 5.27% per annum (2022: 3.97% per annum). Such loans are in the form of promissory notes and are due at call.

Loans are current portion. The fair value is equal to the book value since the effect of the discount rate is insignificant.

#### 34.4 Key management compensation

	Consolidated financial statements		Separate financial statements	
	2023 Baht	2022 Baht	2023 Baht	2022 Baht
Short-term employee benefits	13,696,735	11,987,142	6,981,400	6,960,791
Retirement benefits	156,478	134,463	74,978	72,558
	13,853,213	12,121,605	7,056,378	7,033,349

### 35 Commitments and contingencies

#### 35.1 Commitments for the beneficial utilisation or residing in the sanctuary

The Company and one of its subsidiary have been permitted for the beneficial utilisation or residing in the sanctuary of the National Rub - Ror Reserve Forest and Sa - Lui Forest, Chumphon Province, by the director-general of Royal Forest Department with the objective to plant palm trees on temporary basis. The beneficial utilisation of the Company and its subsidiary were expired on 17 October 2015 and 11 February 2015, respectively.

On 20 March 2014, the Company and its subsidiary submitted to Royal Forest Department, Ministry of Natural Resources and Environment, an application for palm oil plantation in the area of national forest, which was the same area previously approved by the relevant government agency, located in Chumphon province for the beneficial utilisation of the public land.

The Company and its subsidiary have filed the petition to Nakhon Si Thammarat Administrative Court in order to expedite the case on 18 January 2016 and 26 January 2016, respectively. Nakhon Si Thammarat Administrative Court has submitted this case to Federal Administrative Court, and the Court appointed the Company and its subsidiary to examine on 10 May 2016. The required procedures for the aforesaid examination depend on relevant protocols and policy of the government.

On 17 June 2016, the Administrative Court permitted the Company and its subsidiary to collect palm fruit with paying a fee to Royal Forest Department.



*Mr. Krisada Chavananand*

**Mr. Krisada Chavananand**

**Managing Director**

*Mr. Vatchara Chavananand*

**Mr. Vatchara Chavananand**

**Director**

### 35 Commitments and contingencies (Cont'd)

#### 35.1 Commitments for the beneficial utilisation or residing in the sanctuary (Cont'd)

On 30 April 2020 and 22 May 2020, the Supreme Administrative Court had an order to amend Clause 2 of the order of the Administrative Court on compensation, which a subsidiary (Complainant) and the Company respectively, pay to the Royal Forest Department from a fee at a specific rate to the compensation rate according to the notification of the Ministry of Natural Resources and Environment, Re: Determination of the licensee's compensation rates for forest plantations or perennial plantations payable to the government dated 10 November 2015, which is a governing law during the Administrative Court of First Instance ordered a remedial provisional mean. Regarding compensation of benefits from palm oil and other assets, which is not a dispute in this case, shall be in accordance with the law. If the Company and subsidiary do not agree to pay compensation or fees as required by law, the methods to protect the interests of the Company and subsidiary during the trial shall be terminated.

On 25 March 2021 and 30 March 2021, the Central Administrative Court ruled for the Committee on Consideration of Use of National Park Land to approve the case of the Company and its subsidiary respectively, regarding the request for permission to plant forest orchards or trees in Pa Rub Ror and Pa Salui National Park and present the matter to the Council of Ministers for consideration of approval pursuant to Article 20 of the National Park Act of B.E. 2507 (1964) revised by the National Park Act (4th Edition) of B.E. 2559 (2016), which is to be completed within 60 days from the date of the final verdict. Other requests were dismissed and orders concerning temporary procedures before the ruling were to remain effective until the case is final or the Supreme Administrative Court orders otherwise.

#### 35.2 Capital commitments

The Group and the Company have outstanding commitment under the construction agreements and machine purchase agreements as follows:

Currency	Consolidated financial statements				Separate financial statements			
	2023		2022		2023		2022	
	Contractual amount Million baht	Outstanding contractual amount Million baht	Contractual amount Million baht	Outstanding contractual amount Million baht	Contractual amount Million baht	Outstanding contractual amount Million baht	Contractual amount Million baht	Outstanding contractual amount Million baht
Baht	20.34	3.73	20.34	4.58	20.34	3.73	20.34	4.58

#### 35.3 Bank guarantee

As at 31 December 2023, the Group and the Company had outstanding bank guarantee issued on behalf of the Company for the usage of electricity amounted Baht 3.81 million and Baht 1.09 million, respectively (2022: Baht 3.69 million and Baht 1.09 million, respectively).



  
Mr. Krisada Chavananand  
Managing Director

  
Mr. Vatchara Chavananand  
Director

The background features several large, semi-transparent orange diamonds of varying sizes and orientations. Some are solid, while others are outlined. They are scattered across the page, with some overlapping each other. The word "Attachments" is centered in the middle of the page in a bold, orange, sans-serif font.

# Attachments



# ***Board of Directors***

## Mr. Bandhoon Supakavanich

**Age** 74 years old

**Percentage of Shareholders -**

**Position** Chairman of the Board of Directors / Chairman of Audit Committee / Chairman of the Nomination and Remuneration and Independent Director

**Effective Date** 28 August 2013

**Degree/Certificate**

- Directors Certification Program (DCP) 94/2007
- Audit Committee Program (ACP) 94/2007
- Master of Public Administration, Eastern Kentucky University, USA
- Bachelor of Science in Forestry, Kasetsart University
- Bachelor of Political Science in Politics and Government, Ramkhamhaeng University

### Working Experiences

- 2013 – present : Chairman of the Board of Directors / Chairman of Audit Committee / Chairman of the Nomination and Remuneration and Independent Director / Vichitbhan Palm oil Public Co., Ltd.
- 2011 – 2012 : Secretary General / The Secretariat of the Prime Minister Government House
- 2011 : Member of the House of Representatives / Pheu Thai Party
- 2010 – 2011 : Commissioner / National Broadcasting and Telecommunication Commission
- 2008 – 2009 : Budget Director / Bureau of the Budget, Office of the Prime Minister

### Working Experiences with other listed company

-None-



## Mr. Voravith Chavananand

**Age** 68 years old

**Percentage of Shareholders** 0.32%

**Position** Vice President

**Effective Date** 21 March 1987

### Degree / Certificate

- Director Accreditation Program (DAP) 54/2006
- Bachelor of Accountancy, Bangkok University

### Working Experiences

- 2003 – Present : Managing Director / Vichitbhan Construction Co., Ltd.
- 1996 – Present : Board of Director / Chavananand Holding Co., Ltd.
- 1994 – Present : President / C.V.N Development Co., Ltd.
- 1992 – Present : Vice President / Vichitbhan Real estate Co., Ltd.
- 1987 – Present : Vice President / Vichitbhan Palm oil Public Co., Ltd.
- 1985 – Present : Vice President / Vichitbhan Plantation Co., Ltd.
- 1996 – 2003 : Vice President / A study and development project of water pollution :  
Samutprakarn (NVPSKG)
- 1979 – 1980 : Chief accountant / Far East and Marine Division Brown & Root,  
Inc.Houston Texas U.S.A

### Working Experiences with other listed company

- 1998 - 2001 : Board of Director / Aeronautical Radio of Thailand Ltd.
- 1995 - 1997 : Board of Director / Thaithanakorn Finance and Securities Public Co.,  
Ltd.
- 1989 - 1993 : Board of Director / Government Housing Bank
- 1998 - 2002 : Board of Director / Advisor to the Minister : Deputy Minister of Transport
- 1998 – 2002 : Board of Director / Advisor to the Minister : Deputy Minister of Industry



## Mr. Krisada Chavananand

**Age** 63 years old

**Percentage of Shareholders** 39.99%

**Position** Director, Managing Director, and President of Risk Management Committee

**Effective Date** 3 November 1994

### Degree / Certificate

- Master of Science, the Trustees of Columbia University, USA.
- Bachelor of Science in Computer Science, Sam Houston state University, USA.
- Directors Accreditation Program (DAP) สมาคมส่งเสริมสถาบันกรรมการบริษัทไทย DAP 105/2013
- Certificate (Class 26), Certificate of the National Defense College of Thailand

### Working Experiences

- |                |  |
|----------------|--|
| 2012 – Present | : Executive Director / Vichitbhan Logistics Co., Ltd.          |
| 2011 – Present | : Director / Chavananand Holding Co., Ltd.                     |
| 2008 – Present | : Executive Director / VG Energy Co., Ltd.                     |
| 2002 – Present | : Managing Director / Vichitbhan Palmoil Public Co., Ltd.      |
| 1991 – Present | : Deputy Managing Director / Vichitbhan Plantation Co., Ltd.   |
| 1994 – Present | : Board of Director / V.C.N. Development Co., Ltd.             |
| 1992 – Present | : Board of Director / Vichitbhan Real Estate Co., Ltd.         |
| 1996 – Present | : Board of Director / Chavananand Holding Co., Ltd.            |
| 1987 – 2002    | : Deputy Managing Director/ Vichitbhan Palmoil Public Co., Ltd |

### Working Experiences with other listed company

- |                |  |
|----------------|--|
| 2018 – Present | : Chairman / the Palm Oil Industry Group FTI                 |
| 2015 – Present | : Director / Palm Oil Crushing Mill Association              |
| 2008 – Present | : Director / National Palm Oil Policy Committee              |
| 2016 – 2018    | : Vice Chairman / the Palm Oil Industry Group FTI            |
| 2012 – 2016    | : Chairman of the Subcommittee on Oil Palm and Palm Oil Act  |
| 2008 – 2015    | : Chairman / the Palm Oil Industry Group FTI                 |
| 2008 – 2015    | : Association President / Palm Oil Crushing Mill Association |







- 2003 – 2015 : Association President / Collaboration of Thai clean Development  
Mechanism Project
- 1990 – 1993 : Dean of the Faculty of Science and Technology / Assumption  
University
- 1988 – 1990 : Lecturer, Assumption University/ Assumption University

## Mrs. Supaluck Tiasevanakul

(Name – Maiden Name : Miss Supaluck Chavananand)

**Age** 61 years old

**Percentage of Shareholders** 7.66%

**Position** Director, Risk Management Committee, and Deputy  
Managing Director of Accounting, Finance and Office

**Effective Date** 2 October 1997

### **Degree/Certificate**

- Directors Accreditation Program (DAP) 105/2013
- Master of Business Administration, University of New Haven, USA
- Bachelor of Economics, Chulalongkorn University

### **Working Experiences**

- |                |  |
|----------------|--|
| 2008 – Present | : Board of Director / VG Energy Co., Ltd.                    |
| 1998 – Present | : Board of Director/ CholPattana Co., Ltd.                   |
| 1988 – Present | : Managing Director / Vichitbhan Farm Co., Ltd.              |
| 1987 – Present | : Deputy Managing Director / VichitbhanPalmoil PCL           |
| 1985 – Present | : Deputy Managing Director / Vichitbhan Plantation Co., Ltd. |

### **Working Experiences with other listed company**

-None-



## Mr. Vatchara Chavananand

**Age** 59 years old

**Percentage of Shareholders** 4.26%

**Position** Director, Risk Management Committee, Deputy  
Managing Director of Palm Plantation

**Effective Date** 21 March 1987

### **Degree/Certificate**

- Director Accreditation Program (DAP) DAP 54/2006
- High School

### **Working Experiences**

- |                |  |
|----------------|--|
| 2012 – Present | : Board of Director / Vichitbhan Logistics Co., Ltd.         |
| 2008 – Present | : Board of Director / VG Energy Co., Ltd.                    |
| 1996 – Present | : Board of Director / Chavananand Holding Co., Ltd.          |
| 1992 – Present | : Managing Director / Vichitbhan Real Estate Co., Ltd.       |
| 1987 – Present | : Deputy Managing Director / Vichitbhan Palmoil PCL          |
| 1985 – Present | : Deputy Managing Director / Vichitbhan Plantation Co., Ltd. |

### **Working Experiences with other listed company**

-None-



## Mr.Jiraphant Asvatanakul

**Age** 64 years old

**Percentage of Shareholders** 0.00022%

**Position** Audit Committee and Independent Director

**Effective Date** 9 May 2016

### Degree/ Certificate

- Master of Professional Accounting, University of Texas at Austin, U.S.A.
- Bachelor Degree of Economics, Thammasat University
- Thailand Insurance Super Leadership Program (Class 1) OIC Advanced Insurance Institute
- National Defence College, The Joint State - Private Sector Course (Class 26)
- Senior Management Program, Capital Market Academy
- Thailand Insurance Leadership Program (Class 1)
- Top Executive Program in Commerce and Trade (Class 8)
- Health Ambassador (Class 1)
- Strategy and Innovation for Business in Asia (Class 2)
- Director Accreditation Program (DAP) 2004, Thai Institute of Directors (IOD)
- Diploma, National Defence College, The National Defence Course Class. (Class 56)

### Working Experiences

- |                             |   |
|-----------------------------|---|
| 2019 – Present              | : Vice President / Thai Chamber of Commerce   |
| 2019 – Present              | : Advisor / Board of Trade of Thai  |
| 2001 – Present              | : Vice President, Chairman of Investment Committee / Road Accident Victims Protection Company Limited |
| 2559 – Present              | : Deputy Managing Director / Vichitbhan Palmoil PCL   |
| 2008 – 2013, 2017 – Present | : Director / Thai General Insurance Fund  |
| 2016 – Present              | : President / Thai-Iran Business Council  |
| 2015 – Present              | : Treasurer / Thai-Chinese Business Council   |
| 2013 – Present              | : Director / Thai General Insurance Association   |
| 2009 – 2013, 2017 – 2019    | : President / Thai General Insurance Association  |





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2017 – 2019	: Secretary General / Thai Chamber of Commerce and Board of Trade of Thai
2015 – 2017	: Board Treasurer / Thai Chamber of Commerce and Board of Trade of Thai
2013 – 2015	: Director of Deputy Secretary General / Board of Trade of Thai
2009 – 2019	: Director / T.I.I. Co., Ltd. (Thailand -Insurance Institute)
2008 – 2009	: President / Asean Insurance Concil

**Working Experiences with other listed company**

1986 – Present	: Chief Executive Officer, & Managing Director / Thaivivat Insurance PCL.
2021 – Present	: Thai General Insurance Association
2019 – Present	: Nomination and Remuneration Committee / Thai Reinsurance PCL
1993 – Present	: Board of Director / Thai Reinsurance PCL
2014 – 2016	: Chairman / Investment Committee / Thai Reinsurance PCL

## Mr. Rachada Singalavanija

**Age** 74 years old

**Percentage of Shareholders** -

**Position** Audit Committee, Risk Management Committee and Independent Director

**Effective Date** 10 August 2016



### Degree/ Certificate

- Certificate, Director Accreditation Program 67/2007, Thai Institute of Directors
- Certificate, Civil Service Executive Development Program (Class 29), Office of the Civil Service Commission
- National Defence College Diploma (Class 45)
- Diploma, Senior Executive Program (Class 16), Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand
- Capital Market Academy Programs (CMA) (Class 4), Capital Market Academy
- Bachelor of Law, Ramkhamhaeng University, Thailand
- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University, Thailand
- M.S.E. (Industrial), West Virginia University, U.S.A.

### Working Experiences

- |                |  |
|----------------|--|
| 2016 – present | : Audit Committee, Risk Management Committee and Independent Director / Vichitbhan Palmoil PCL |
| 2009 – Retired | : Deputy Permanent Secretary / Ministry of Industry  |
| 2006 – 2009    | : Director General Department of Industrial Works / Department of Industrial Works             |
| 2004 – 2006    | : Deputy Permanent Secretary / Ministry of Industry  |
| 2003 – 2004    | : Chief of Inspector General / Ministry of Industry  |
| 2001 – 2003    | : Inspector General / Ministry of Industry   |
| 1998 – 2001    | : Deputy Director-General, Department of Industrial Works / Ministry of Industry               |



1998 : Director Industrial Pollution Management Bureau Technology /  
Department of Industrial

**Working Experiences with other listed company**

-None-



## Mr. Peerapong Oeusoonthornwattana

**Age** 68 years old

**Percentage of Shareholders -**

**Position** Director

**Effective Date** 4 January 2022

**Degree/ Certificate**



- B.S. in Electrical Engineering from Western Michigan University in the USA.

- M.S. in Computer Science from Western Michigan University in the USA.

- The Association of National Defense College Course

### Working Experiences

- |                |  |
|----------------|--|
| 2011 – present | : Executive Director at 3D Management Ltd.   |
| 2011 – present | : Nomination & Remuneration Committee at Vichitbhan Palmoil PCL.                       |
| 2011 – present | : Independent Director at Vichitbhan Construction Co., Ltd.                            |
| 2011 – 2019    | : Dean of The Faculty of Business Administration at Huachiew<br>Chalermprak University |
| 2008 – 2010    | : Business Advisor & Coach / Dale Carnegie Thailand                                    |
| 2007 – 2008    | : Senior Consultant / TRANSEARCH (Executive Search Firm)                               |
| 2004 – 2007    | : Director General / Thailand Convention & Exhibition Bureau (TCEB)                    |
| 1997 – 2004    | : Managing Director / Microsoft (Thailand) Limited                                     |
| 1993 – 1997    | : Managing Director / Compaq Computer (Thailand) Ltd.                                  |
| 1986 – 1993    | : Country Digital Consulting Manager / Digital Equipment (Thailand) Ltd.               |
| 1993 – 1997    | : Managing Director / Compaq Computer (Thailand) Ltd.                                  |

### Working Experiences with other listed company

-None-



# *Company Secretary*

## Mrs. Apiradee Arunpitakgul

**Age** 49 Years old

**Position** Accountant and Financial Manager and Company Secretary

**Effective Date** September 2014

**Degree/ Certificate**

- Bachelor of Accountant Financial, University of the Thai Chamber of Commerce

### Working Experiences

2020 – Present	: Company Secretary / Vichitbhan Palmoil PCL
2014 – Present	: Accountant and Financial Manager / Vichitbhan Palmoil PCL
2002 – 2014	: Deputy Internal Audit Manager / ThaiNamthip Company Limited
1997 – 2002	: Chief of Auditor Department / Deloitte Touche Tohmatsu Jaiyos Audit Company Limited.





## Attachment 2

### Information of the Directors of Affiliates

Information of the Sub-Committee members with the authority in affiliates are as follows:

Sub-Committee  List	Company	Affiliate		
		Vichitbhan Construction Co., Ltd.	Chavananand Holding Co., Ltd.	Chokanan chomphorn Co., Ltd.
1. Mr.Voravith Chavananand	/	/	/	
2. Mr. Krisada Chavananand	/ and ///		/	
3. Mrs. Supaluck Tiasevanakul	/ and ///			
4. Mr. Vatchara Chavananand	/ and ///		/	
5. Mr. Bandhoon Supakavanich	X and //			
6. Mr.Jiraphant Asvatanakul	/ and //			
7. Mr. Rachada Singalavanija	/ and //			
8. Ms. Kem-Ngurn Chutchaiyun	///			
9. Mr. Peerapong Oeusoonthornwattana	/		/	

Remark: X = Chairman    / = Director    // = Audit Committee    /// = Management



### Attachment 3

#### Information of the Head of Internal Audit and Head of Compliance Unit

name – surname/ position/ Appointment Date	Age (year)	Education	Sharehold ing (%)	Family Relationship among Executive	Experiences		
					ช่วงเวลา	ตำแหน่ง	ชื่อบริษัท
1. Mrs.Saowanee Ratanamaitrikiat Senior Audit Manager	71 years	Bachelor of Accountancy (Chulalongkorn University) - CPA 30 hrs. - Issue of Company Limited 7.5 hrs. - Quality control for inspection service 7.5 hrs. -Operation of Auditing Service International Auditing and Assurance Standards 7.5 hrs. -TFRS for Small and Medium Enterprises 7.5 hrs.	-	-	2006 - present 1975 - 2005	Senior Audit Manager	D I A & ASSOCTATES CO., LTD



name – surname/ position/ Appointment Date	Age (year)	Education	Sharehold ing (%)	Family Relationship among Executive	Experiences		
					ช่วงเวลา	ตำแหน่ง	ชื่อบริษัท
2. Ms. Paveena Kwanmuk Head of Audit	38 years	Bachelor of Accountancy (Ramkhamhaeng University) - CPA 30 hrs. - Issue of Company Limited 7.5 hrs. - Quality control for inspection service 7.5 hrs. -Operation of Auditing Service International Auditing and Assurance Standards 7.5 hrs. -TFRS for Small and Medium Enterprises 7.5 hrs.	-	-	2007- present	Audit Manager	D I A & ASSOCTATES CO., LTD
4. Ms. Supaporn Chiansungnoen Assistant to Head of Audit	34 years	Bachelor of Accountancy (Suan Dusit University) - CPA 30 hrs. - Issue of Company Limited 7.5 hrs. - Quality control for inspection service 7.5 hrs. -Operation of Auditing Service International Auditing and Assurance Standards 7.5 hrs. -TFRS for Small and Medium Enterprises 7.5 hrs.	-	-	2012 - present	Officer – Head of Audit	D I A & ASSOCTATES CO., LTD



name – surname/ position/ Appointment Date	Age (year)	Education	Sharehold ing (%)	Family Relationship among Executive	Experiences		
					ช่วงเวลา	ตำแหน่ง	ชื่อบริษัท
3. Ms.Supitsara Onchim Assistant to Head of Audit	30 years	Bachelor of Accountancy (Rattana Bundit University) - CPA 30 hrs. - Issue of Company Limited 7.5 hrs. - Quality control for inspection service 7.5 hrs. -Operation of Auditing Service International Auditing and Assurance Standards 7.5 hrs. -TFRS for Small and Medium Enterprises 7.5 hrs.	-	-	2016 - present	Officer - Assistant to Head of Audit	D I A & ASSOCTATES CO., LTD





## **Attachment 4**

### **Information about Property Appraisal Items**

-none-



## Attachment 5

### Policy on Corporate Governance, Business Ethics

The details appear on the Company's website: [www.vcbpalmoil.com](http://www.vcbpalmoil.com)

1. Policy on Corporate Governance
2. Code of Conduct
3. Article of Association
4. Memorandum of Association
5. Charters
6. Business Ethics



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