



**(B) Collateral assets**

The Group's partial land, construction and machinery are mortgaged with financial institutions to secured short-term borrowings from financial institutions in form of promissory notes, trust receipts and short-term borrowings amounting to Baht 427.4 million (31 December 2022: Baht 717.0 million). The net book value of these collateral assets are Baht 228.0 million and VND 77,863.8 million (31 December 2022: Baht 232.6 million, USD 1.1 million and VND 86,399.2 million).

18 vessels of ocean vessels with a net book value of USD 157.1 million (31 December 2022: USD 167.9 million) are mortgaged to foreign syndicated banks to secure loans with a total outstanding balance of USD 43.6 million (31 December 2022: USD 62.8 million).

2 vessels of subsea vessels with a net book value of USD 91.8 million (31 December 2022: US\$ 93.5 million), are mortgaged to local commercial banks to secure loans with a total outstanding balance of USD 24.2 million (31 December 2022: USD 32.5 million).

**(C) Significant of long-term agreement**

As of 31 December 2023, Baconco has the following lease agreements in effects.

Location	Lessor	Area (Sq.m)	Contract Term (year)	Monthly rental <sup>1/</sup>	Start	End
HQ, manufacturing plant and BCC I, Phu My I Industrial Estate, Baria Vung Tau <sup>2/</sup>	IZICO	40,000	47	Baht 36.8 / SQM / year (Including service fees)	20 Oct 1998	27 Apr 2045
	IZICO	15,916	47	Baht 50.1 / SQM / year (Including service fees)	20 Oct 1998	27 Apr 2045
BCC 2, Phu My I Industrial Estate, Baria Vung Tau <sup>2/</sup>	IZICO	49,412	5	Baht 58.8 / SQM / year	1 Dec 2022	7 Apr 2027
BCC 3, Phu My I Industrial Estate, Baria Vung Tau <sup>2/</sup>	IZICO	12,794	34		22 Jul 2011	27 Apr 2045
BCC 5, Phu My I Industrial Estate, Baria Vung Tau <sup>2/</sup>	IZICO	50,000	33		17 Feb 2012	27 Apr 2045
BCC 5B, Phu My I Industrial Estate, Baria Vung Tau <sup>2/</sup>	IZICO	50,000	31		10 Oct 2014	27 Apr 2045
BCC 5C, Phu My I Industrial Estate, Baria Vung Tau <sup>2/</sup>	IZICO	50,000	29		15 Sep 2016	27 Apr 2045
Representative Office, Petroland Building, Ho Chi Minh City	South light construction consultancy corporation	240	5		Baht 627.8 / SQM / month (including service fees)	1 Apr 2019



### Credit policy and relevant financial ratios

The Group established the credit policy through a credit-granting procedure that considers the consistency between receiving and payment period to minimize the impact from liquidity issues. Creditworthiness and credit term granted by the Group depend on quantity and value of transactions that clients have with the Group and are also acknowledged and approved by the authorized person.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

As at 31 December 2023, the credit term granted by the Group according to business segments are as follows:

Business segments	Credit term
Shipping	1 - 30 days
Offshore service	30 - 60 days
Agrochemical	5 - 120 days
Food and Beverage	1 - 30 days
Investment - Import coal	30 - 60 days
Investment - Water resource management	30 - 60 days

### Trade receivables turnover and collection period ratios

	2022	2023
Trade receivables turnover (times)	8.36	5.63
Collection Period (days)	43.65	64.83

According to trade receivables turnover and collection period, the Group decrease in debt collection. However, the Group still received payment within credit term which ranges from 1 to 120 days.

## Effective tax rate comparing with principal tax rate

Income taxes as shown in the consolidated of income are calculated based on net taxable income from non-BOI activities using a principal tax rate for operations in Thailand and specific tax rates applicable to each respective country for overseas operations. Non-BOI activities comprise gains from disposals of assets, shipping related services including agency, drilling services outside Thailand, offshore related services, and production and trading of fertiliser and coal.

### **Reconciliation of effective tax rate**

	2023		2022
	<i>Rate</i> <i>(%)</i>	<i>(in thousand Baht)</i>	<i>Rate</i> <i>(%)</i>
		<i>(in thousand Baht)</i>	
Profits before income tax expense		1,348,902	3,282,860
Income tax using the Thai corporation tax rate	20	269,780	656,572
Effect of different tax rates in foreign jurisdictions		(167,057)	(101,998)
Income not subject to tax		(336,683)	(873,319)
Expenses not deductible for tax purposes		78,956	69,184
Utilisation of previously unrecognized tax losses		(48,810)	36,421
Current year losses and temporary differences for which no deferred tax asset was recognized		210,860	253,202
Under (over) provided in prior years		4,140	(11,422)
Effect of different functional currency of accounting and tax from subsidiaries		7,347	(6,734)
<b>Total</b>	<b>1</b>	<b>18,533</b>	<b>21,906</b>

The effective tax rate for the year 2023 is approximate 1% which lower than the principal tax rate for operations in Thailand or 20% occurred from the followings:

- Tax exemption on income derived from the shipping business.
- The specific tax rate applicable to each respective country for overseas operations is less than 20%.