



ANNUAL REPORT

2020



CREATE VALUE  
FOR ALL  
STAKEHOLDERS



SMART PEOPLE



BUSINESS TRUST



GROWTH SOCIETY



## Index

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Over the past year, the Company has faced two major operational challenges which are:

Firstly, the global outbreak of the COVID-19 pandemic, which is still ongoing and affects the normal life and normal work practices to all people. The manufacturing operation of the Company has also stumbled at times. The Company has given priority on the prevention of this virus, with the intensive measures for the safety of those involved, especially employees in order to build confidence and further encourage everyone to continue to do their work. In addition, the company has improved the operation system and management so that the work can be carried out efficiently and meet the customers' needs.

Secondly, the Company is in the process of technology transformation for the automotive industry, where the automakers gradually switch from the manufacturing of internal combustion engine (ICE) to electric vehicles. In this regard, the company has been closely monitoring the changes and preparing to play a role in the electric vehicle production line in the future by organizing the work system and preparing relevant personnel to handle this change, further laying the foundation of the company's long-term business.

Thailand's Gross Domestic Product (GDP) in 2020 shrank approximately by 6.1% from 2019 and impacted on the volume of domestic car production, also decreased by 29% from 2019, totaling 1,427,074 units.

Due to the operating results of companies in Somboon Group in 2020, the Company had total revenue as of 6,027 million baht, and net profit as of 374.76 million baht, decreased 58.30% compared to the previous year.

The Company path will continue under the policy mutually agreed by the Board of Directors and the management are:

First of all, the Company will still continue to be an auto part manufacturer, which is our expertise, by focusing on quality under the customer's standard and the customer's needs and continue to seek new customers in order to maximize the current production capacity.

Furthermore, in the meantime the Company has still improved the business to meet digital transformation by considering and following up the new potential business growing in both domestic and international market in the future. In this regard, the Company will monitor, study and jointly work with the expert in technology development leading to the new business in the future as to build a confidence for the business operation.

Thirdly, with the internal management during this time, the Company has highlighted on the cost reduction to gain a competitive sale with maintaining high quality and standard under the customer's expectation. In part of internal management, the Company focuses on the people development, work in teamwork and adjust working process to be efficient organization.

The operation determination has still adhere to the SBG's philosophy "Somboon Triple Bottom Line" which are "Smart People" to concentrate on the people development and working system to be efficient, "Business Trust" to take decisive steps to move on technology transformation and the business has capability to grow in "Growth society." The Company will play a role to contribute to society with generosity and develop the quality of life in society to be better. Those Somboon Triple Bottom line will be able to run forward with balance.

Lastly, the Board of Directors would like to thank to shareholders, partners, customers, business partners and all stakeholders including the executives, staffs and employees for your always support. The Company will commit to drive our business with corporate good governance and corporate social responsibility forward sustainable growth.

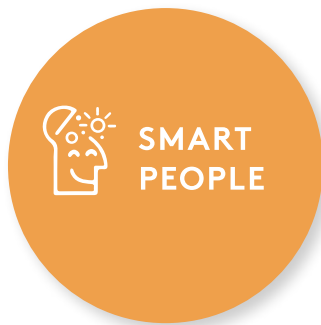


**Mr. Sansern Wongcha-um**  
Chairman of the Board Directors



**Ms. Napatsorn Kitaphanich**  
President





## Vision

Strive for sustainable growth in automotive industry through advanced technology and partnership

## Mission

- Create values for shareholders
- Collaborate with strategic partners to develop business administration
- Provide solutions for customers through advance technology in products design and development
- Enhance Excellence in Operation and Corporate System with Information Technology
- Embrace Corporate Governance and Fairness throughout supply chain
- Be socially and environmentally responsible
- Continuously enhance our people skills and competencies through Somboon Learning Academy (SLA)

## Company's General Information

|                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company's Name         | : Somboon Advance Technology Public Company Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Business               | : Auto part manufacturing which major products are Axle Shaft selling to "OEM" (Original Equipment Manufacturer) inside and outside the kingdom and to invest in other companies which are engaging in auto part manufacturing                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Head Office and Plant  | : 129 Moo 2, Bangna - Trad Road, Tambol Bangchalong, Amphur Bangplee, Samutprakarn Province;<br>300/10 Moo 1 Tambol Tasit, Amphur Pluakdaeng, Rayong Province                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Company's Registration | : 0107547000664                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Telephone              | : 02-080-8123                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Fax                    | : 02-080-8198, 02-080-8268                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Website                | : <a href="http://www.satpcl.co.th">www.satpcl.co.th</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Registered Capital     | : 425,193,894                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Paid-up Capital        | : 425,193,894                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Subsidiaries           | <ol style="list-style-type: none"> <li><b>Somboon Malleable Iron Industrial Company Limited</b><br/>Auto part manufacturing which major products are Disc Brake, Drum Brake and part of agriculture machinery</li> <li><b>International Casting Products Company Limited</b><br/>Auto part manufacturing in Casting Products which are Disc Brake, Drum Brake and casting part of agriculture machinery</li> <li><b>Somboon Forging Technology Company Limited</b><br/>Auto part manufacturing from Hot/Cold Forging process which is Hub Wheel</li> <li><b>Bangkok Spring Industrial Company Limited</b><br/>Rent of real estate and investment in other companies</li> </ol> |

## Financial Highlight

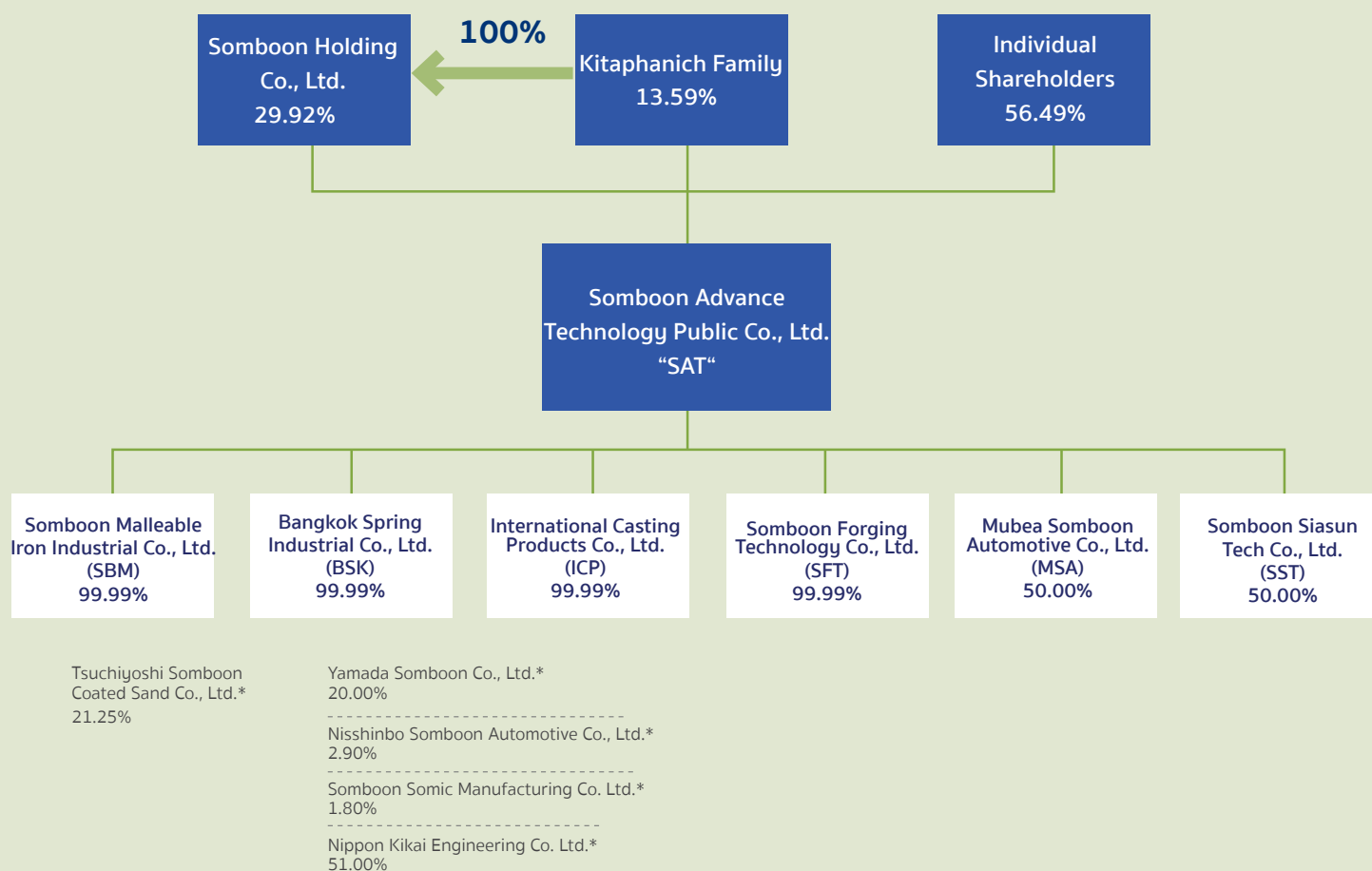
| For the Fiscal year ended<br>December 31 <sup>th</sup>       | Consolidated Financial Statements |           |           | Separate Financial Statements |           |           |
|--------------------------------------------------------------|-----------------------------------|-----------|-----------|-------------------------------|-----------|-----------|
|                                                              | 2020                              | 2019      | 2018      | 2020                          | 2019      | 2018      |
| <b>Stock Data</b>                                            |                                   |           |           |                               |           |           |
| Par value (Baht)                                             | 1.00                              | 1.00      | 1.00      | 1.00                          | 1.00      | 1.00      |
| Book value (Baht)                                            | 16.68                             | 16.94     | 15.30     | 11.43                         | 11.60     | 11.83     |
| Earning per share (Baht) *                                   | 0.88                              | 2.11      | 2.15      | 0.96                          | 1.18      | 2.99      |
| <b>Operating (Thousand Baht)</b>                             |                                   |           |           |                               |           |           |
| Sales revenue                                                | 5,882,559                         | 8,005,588 | 8,193,797 | 1,884,678                     | 2,547,970 | 2,564,735 |
| Total income                                                 | 6,029,795                         | 8,198,588 | 8,307,933 | 2,290,882                     | 2,927,691 | 3,613,373 |
| Net profit                                                   | 374,763                           | 898,666   | 915,597   | 409,905                       | 500,589   | 1,271,219 |
| <b>Balance Sheet (Thousand Baht)</b>                         |                                   |           |           |                               |           |           |
| Current assets                                               | 4,406,626                         | 4,580,744 | 4,224,378 | 1,565,741                     | 1,692,838 | 1,785,764 |
| Total assets                                                 | 8,955,308                         | 9,311,490 | 9,064,761 | 5,579,981                     | 5,634,534 | 5,846,089 |
| Current liabilities                                          | 1,500,761                         | 1,635,510 | 1,723,592 | 540,173                       | 478,692   | 580,277   |
| Total liabilities                                            | 1,864,565                         | 2,108,202 | 2,178,121 | 718,053                       | 702,159   | 817,757   |
| Paid-up capital                                              | 425,194                           | 425,194   | 425,194   | 425,194                       | 425,194   | 425,194   |
| Shareholders' equity                                         | 7,042,274                         | 7,203,288 | 6,886,640 | 4,861,928                     | 4,932,375 | 5,028,331 |
| <b>Financial Ratio</b>                                       |                                   |           |           |                               |           |           |
| Returns on shareholders' equity (%)                          | 5.28%                             | 12.80%    | 13.76%    | 27.58%                        | 10.05%    | 27.58%    |
| Returns on fixed assets (%)                                  | 29.09%                            | 41.68%    | 39.89%    | 123.82%                       | 66.65%    | 123.82%   |
| Returns on assets (%)                                        | 4.10%                             | 9.78%     | 9.83%     | 22.78%                        | 8.72%     | 22.78%    |
| Gross profit (%)                                             | 15.15%                            | 18.66%    | 18.43%    | 26.64%                        | 24.18%    | 26.64%    |
| Current assets ratio to items of current liabilities (times) | 2.94                              | 2.80      | 2.45      | 2.90                          | 2.80      | 3.08      |
| Liquidity ratio to liabilities (times)                       | 2.36                              | 2.28      | 2.01      | 1.74                          | 2.27      | 2.17      |
| Debt ratio to shareholders' equity (times)                   | 0.26                              | 0.29      | 0.32      | 0.15                          | 0.14      | 0.16      |

## Nature of Business Operation

The Company and subsidiaries has been engaging in the manufacturing of auto part for vehicle industry such as passenger car, pick-up, trucks and agriculture machinery industry. The main major customers are the original equipment manufacturer (“OEM”) both domestic and international market with the long term purchase contract and the replacement equipment manufacturer (“REM”).

The operation of each company in the group has the policy to grow together with customers, focus on creating values to the organization and stakeholder with differential products. In term of operation, each company shall operate its business in the business unit (“BU”). The Board of Directors shall stipulate the overall policy to be applied to each company in the group which all executives in each function shall directly report to the President. Each company has set goal, strategy and follow up with the result by the Executive Meeting regularly.

### The shareholding structure of the Company as at March 4<sup>th</sup>, 2021



#### Notes :

- \* No persons who may have conflict of interest are holding shares in the related companies exceeding 10%.
- Somboon Siasun Tech Co., Ltd. has been registered as a juristic person on June 12, 2020

## Income Structure by Products

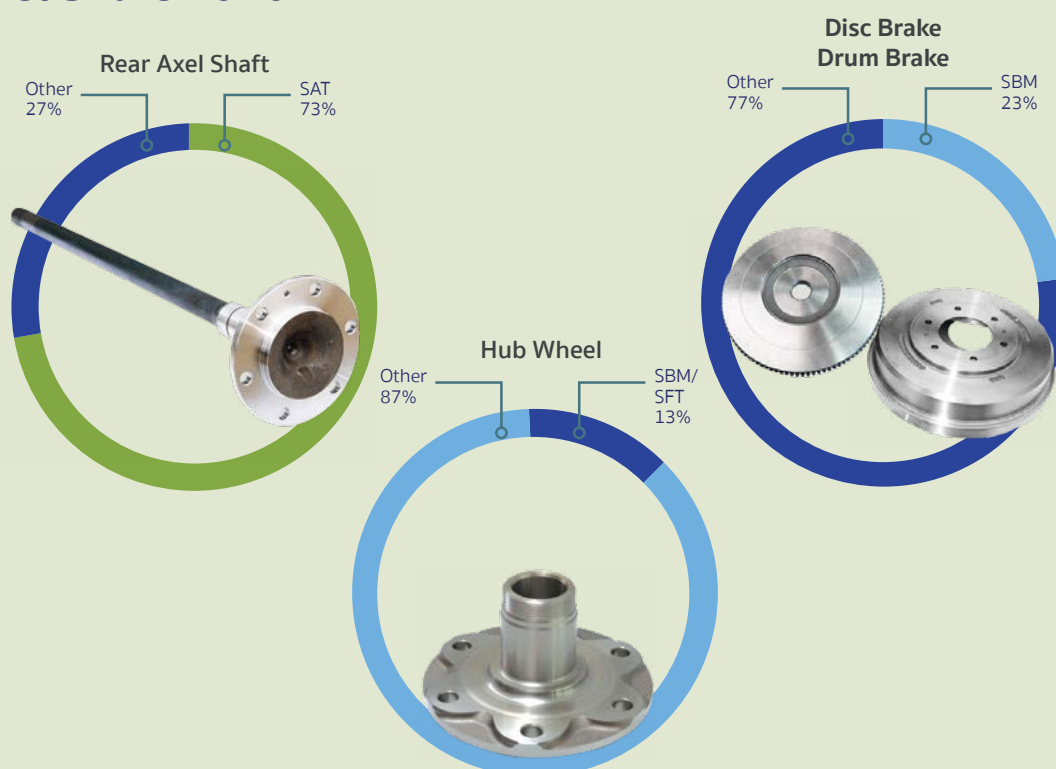
The Company and subsidiaries' income structures in 2018, 2019 and 2020 can be classified as followings;

| Products                                           | Operated by | % of share holding | Balance Sheet 2020 |     | Balance Sheet 2019 |     | Balance Sheet 2018 |     |
|----------------------------------------------------|-------------|--------------------|--------------------|-----|--------------------|-----|--------------------|-----|
|                                                    |             |                    | Income             | %   | Income             | %   | Income             | %   |
| Axle shaft                                         | SAT         |                    | 1,750              | 29  | 2,340              | 29  | 2,353              | 28  |
| Disc& Drum Brake                                   | SBM         | 99.99              | 1,150              | 20  | 1,800              | 22  | 1,950              | 24  |
| Parts of Agriculture Machinery                     | SBM         | 99.99              | 1,390              | 23  | 1,570              | 19  | 1,503              | 18  |
| Income from sales of other products and services * |             |                    | 1,593              | 26  | 2,296              | 28  | 2,388              | 29  |
| Total income from sales and services               |             |                    | 5,883              | 98  | 8,006              | 98  | 8,194              | 99  |
| Other incomes**                                    |             |                    | 144                | 2   | 193                | 2   | 114                | 1   |
| Total income                                       |             |                    | 6,027              | 100 | 8,199              | 100 | 8,308              | 100 |

Note:

- \* Income from sales of other products and services such as hub wheel, spring shaft, valve, push rod, brackets and other products. The total number of products is more than 20 items including income from joint venture company that are consolidated into the financial statements..
- \*\* Other incomes is income that is not generated from direct product sales, for example, revenue from scrap sales and income from dividends received from joint ventures companies, etc.

## Market Share 2020



## Corporate Governance towards Sustainability

The Board of Directors are committed to develop a sustainable growth of the organization, develop a transparent organization, and with a true good governance, under a responsibility of looking after the benefits of the stakeholders and the overall society, develop the personnel to become a good person, a capable person equipped with knowledge alongside with morality, promoting knowledge and quality of life as well as developing and saving the environment for the better, in order to progress towards social responsibility through the business philosophy of “Somboon Triple Bottom Line”.

The Board of Directors has created a “Corporate Governance Policy” in order to promote the organization’s corporate governance principles by focusing on operating the business with transparency, morals, ethics and honesty on the basis of “Business ethics and the code of conduct at work”, which is used as a best practice guideline for the directors, executives and employees at every level in the companies within the Somboon Group, as well as all groups of stakeholders which will lead the organization towards achieving a true sustainability.

The Board of Directors have created a Corporate Governance manual and a manual for Ethics and Code of Conduct at Work in writing, and it is required that both manuals are to be revised yearly in order to be consistent with the context of the business and the related law, rules and regulations, and publish on the Company’s website under the corporate governance section according to the good corporate governance code (CG code) by the Securities and Exchange Commission and Thai Institute of Directors (IOD), including guidelines at the international level in order cohere with the various guidelines such as ASEAN CG Scorecard, as an example.

In this regard, in 2020, the Board of Directors have supervised and monitored to ensure that all directors, executives and employees at every level shall conform with the corporate governance policy and the manual of Ethics



and Code of Conduct at work into practice by taking into consideration of the stakeholders in all dimensions and create sustainable values to the business, environment and society.

Summary of the results of good corporate governance practice of listed companies and awards received are as follows;

1. The evaluation in the one of 692 listed companies in Corporate Governance Report of Thai Listed Companies (CGR) which have been rewarded Excellent CG Scoring of 2020 from Thai Institute of Directors (IOD) for the 13th consecutive year with all scores being in the category of “excellent”.
2. Received a full AGM Checklist score at 100 for the 2020 Annual General Meeting of Shareholders from the Thai Investors Association.
3. Arranged the business ethic, code of conduct, and anti-corruption test through intranet system, the Company will use the results to evaluate the knowledge level and understanding then to review and develop the business ethic and code of conduct and create awareness in anti-corruption.
4. Organized training for the new employees at every level through “ethic and sustainability of the organization” course to provide knowledge and understand in ethic, code of conduct at work, anti-corruption policy and practice for the giving and accepting of gifts in the companies in Somboon Group
5. Awards from the Stock Exchange of Thailand includes;
  - Thailand Sustainability Investment Award (THSI)
  - SET Award of Honor - Excellence in Investor Relations 2017 - 2020

Furthermore, the Company followed the principles of good corporate governance covering 5 categories which are shareholders’ rights, equitable treatment of the shareholders, the role of stakeholders, disclosure of information and transparency and the responsibility of the board of directors.

## Section 1 Rights of Shareholder:

The Company emphasizes on the importance of the shareholders' rights by allowing the shareholders to participate in corporate governance and emphasizes on the importance of good practice in the execution of shareholders' meeting regarding (1) the quality of the meeting invitation (2) the quality of the meeting minutes (3) roles and attendance of the chairman and the sub-committee by preparing the shareholders meeting minutes to inform the shareholders of the meeting's resolutions and the accuracy can be reviewed via the channels of the Stock Exchange of Thailand and the Company's website within 14 days from the date which the meeting took place. The Company has administered in the category of shareholders' rights as follows;

### Operations in 2020

- 1.1 The shareholders are given the opportunity to propose matters to be included in the meeting agenda and propose the name of the person whose qualification is suitable to hold the position as a director between 28 September 2020 to 31 December 2020 by informing the shareholders via the news system of the Stock Exchange of Thailand as well as published clear instructions and process on the Company's website at [www.satpcl.co.th](http://www.satpcl.co.th) under the investor relations section, shareholders information, and select sub-heading "the Shareholders' Meeting".
- 1.2 The shareholders are given the opportunity to submit questions that are related to the agenda of the 2020 Annual General Meeting of Shareholders in advance between 12 June 2020 to 3 July 2020 by informing the shareholders via the news system of the Stock Exchange of Thailand as well as published clear instructions and process on the Company's website at [www.satpcl.co.th](http://www.satpcl.co.th) under the investor relations section, shareholders information, select sub-heading "Submission channels for questions regarding the meeting agenda".
- 1.3 The Company announced the number and ratio of the shareholders attending the meeting and the proxies attending the meeting, the voting and counting process prior to the shareholders meeting, and the Company's usage of ballots.
- 1.4 To propose the guidelines and procedures for the proposal of the directors' remuneration by explaining the composition and proposed remuneration for the Company's directors of all arrangements divided into monthly remuneration, meeting allowance, annual remuneration and other privileges for the shareholders consideration on a yearly basis.
- 1.5 To propose the policies, methods and criteria for the remuneration of the directors in each position for the shareholders' acknowledgement.
- 1.6 The opportunity is given for the shareholders to cast an election vote for a director individually by presenting the name of the director for the shareholders to vote one by one.
- 1.7 The Company has an independent inspector, which is a non-stakeholder, from LS Horizon Limited. to perform the duty of counting the quorum, inspect the vote counts and the voting results in order for the meeting to be conducted in transparency, and in accordance with the law and the Company's regulations.
- 1.8 The Company facilitated and encouraged the shareholders as well as the institutional investors to attend the meeting by organizing the meeting at a location with ease of access by the various public transport systems.
- 1.9 In the 2020 Annual General Meeting of Shareholders, the Company has clearly specified the shareholders meeting agenda divided into different categories without any addition to the meeting agenda or changes of important information without noticing the shareholders in advance and the shareholders are given the opportunity to share their views and raise questions at the meeting, in which the details are recorded in the shareholders meeting minutes.
- 1.10 The Board of Directors altogether does not hold more than 25 percent of the total Company's issued shares.
- 1.11 To promote the ratio of the common shares held by minority shareholders (Free Float) at more than 40% of the total issued shares of the Company.
- 1.12 The shareholders are given the opportunity to connect and communicate among each other without the Company's obstruction or hindrance.
- 1.13 In the event that the shareholders will enter into a shareholder's agreement, the Company will ensure that the agreement between the shareholders does not have a significant impact to the Company or other shareholders.
- 1.14 The Company has prepared personnel and up-to-date technology to facilitate the shareholders' document inspection process in order for the registration, vote counting, results display and the execution of the meeting to be completed quickly, correctly and precisely.
- 1.15 In 2020, due to the spread of Coronavirus 2019 (COVID-19), the Company had to change the date and place to arrange the Annual General Meeting of Shareholders. The Company has focused on the safety of shareholders and the Company shall strictly comply with the measures and practice to prevent Coronavirus 2019 (COVID-19) infection of Department of Disease Control as follows:

## 2020 Annual General Meeting of Shareholders



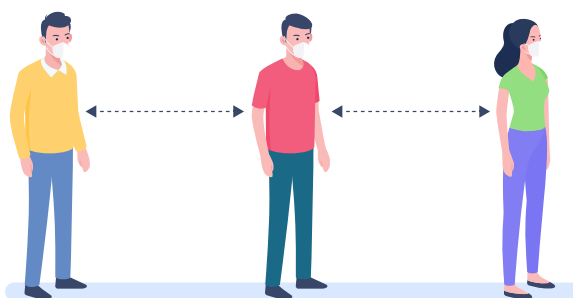
temperature check



wear a mask



clean your hand



keep distance

### Before the Meeting Date

1. The Company requests for the shareholders' cooperation not to attend the meeting in person in order to minimize the risk of spreading infection therefore, the shareholders can grant proxy to the Company's independent directors as stated in Proxy Form B to attend the meeting and vote on their behalf.
2. The shareholders submit questions which relates to the agendas prior to the meeting via an e-mail to [pasucha.s@somboon.co.th](mailto:pasucha.s@somboon.co.th) and/or [nopamas.p@somboon.co.th](mailto:nopamas.p@somboon.co.th)



ฆ่าเชื้อภายในห้องประชุม



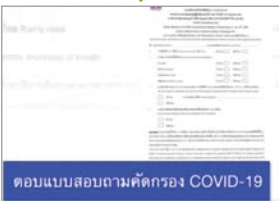
ทำความสะอาดพื้นที่สัมผัส



สนับสนุนการล้างมือ  
ให้บริการแอลกอฮอล์ล้างมือในจุดต่างๆ

## On the Meeting Date

1. The Company has a health screening point with various equipment at the meeting entrance and will request all shareholders and attendees to fill in COVID-19 screening form before entering the meeting. The Company reserves the right not to allow those who do not pass screening point e.g. have a fever (temperature of 37.5 degrees Celsius or higher), cough, sneezing, running nose, respiratory symptom or difficult to breath etc. to attend the meeting.
2. The Company arranges the seats with appropriate social distancing at a minimum of 1.5 meters from each other. The Company will indicate the seat number for the shareholder who already completed the meeting registration. Therefore, the shareholder is required to sit according to the seat number as specified.
3. All attendees strictly comply with the Company's guideline for the meeting by wearing a facemask and screening sticker at all times during the meeting.
4. The Company does not serve food and beverages in the meeting area to prevent the spread of infection.
5. The Company conducts the meeting concisely and in line with agendas in accordance with the laws.
6. The Company accepts only written questions.
7. The Company does not distribute the hard copy of the 2020 Annual Report and Sustainability Report on the meeting date.



## Section 2 Equitable Treatment of the Shareholders

The Company has a policy to treat all shareholders equally, regardless of major shareholders, minority shareholders, institutional investors or foreign shareholders by ensuring that the shareholders have the fundamental rights as required by the law, including the facilitation and promotion for the shareholders to attend and exercise their voting rights at the shareholders meeting. In this matter, the Company has practiced the equitable treatment of the shareholders as follows;

### Operations in 2020

- 2.1 In the event that the Company has a connected transaction within the scope of requesting approvals from the shareholders according to the regulation of the stock market prior to making the transaction, the Company discloses the details and reasons for such transactions to the shareholders' acknowledgement every time before the transaction is processed.

- 2.2 The related transactions between each other are processed in fairness according to the market price and in accordance with the normal business trade practices, whereby in 2020, the Company has not breached or violated any transaction regulations between each other.
- 2.3 The Company has attached a proxy form B. together with the meeting invitation letter, which is a form which enables the shareholders to set their own directions in the vote casting in each agenda, in order to allow the excused shareholder to authorize an independent director or other persons to attend the meeting and cast a vote on their behalf. It is also published on the Company's website for the shareholders to download by themselves.
- 2.4 The Company has issued a procedure for shareholders meeting attached with the shareholders meeting invitation letter in order for the attending shareholders

and/or the proxies (in the cases where proxies are assigned) to be able to prepare documents/evidence as a self-identification to properly enter the meeting in accordance with the law and the Company's regulation whereby the Company does not stipulate conditions in an obstructive manner or unreasonably create a burden to the shareholders.

- 2.5 The Company has held a total of one shareholders meeting which was the 2020 Annual General Meeting of Shareholders on 16 July 2020, with all 9 directors presenting at the meeting and has authorized Thailand Securities Depository Co., Ltd., which is the Company's share registrar, to send out the meeting invitation letter in both Thai and English language to the shareholders 22 days in advance, as well as publicized the meeting invitation letter including the supporting documents on the Company's website in both Thai and English language 34 days in advance in order for the shareholders to learn the information prior to the date of the meeting.
- 2.6 The Company grants equal voting rights to the shareholders, which is one share per one vote, according to the number of shares held.
- 2.7 The Company has policies and procedures to prevent the usage of the Company's internal information by not allowing the directors, executives and employees to use an opportunity for personal gains and/or relevant persons which may cause a conflict of interest with the Company. This is stated in the manual of Ethics and Code of Conduct at Work as well as published on the Company's website to inform the directors, executives and employees.
- 2.8 The Company has required that the directors, executives and employees, who have the knowledge of the Company's crucial internal information which may impact the fluctuation of the trading prices of the securities, shall cease to trade the Company's securities during the 1 month prior to the Company's announcement of its operating performance or disclosing that internal information to the public. In this regard, the supervision and inspection department had announced the ceasing of the Company's securities trading via the Company's internal e-mail every quarter for the acknowledgement of all directors, executives and employees to ensure that the directors, executives and employees are aware of the rules and regulations. If such action as mentioned are found to be carried out, it is to be considered as a violation of the Company's regulations.
- 2.9 The directors and executives have the duty to report the trading of the Company's securities/the changes in the holding of the securities, inclusive thereof spouses' and underage children's as well as related persons according to section 59 of Securities and Exchange Act 1992 (2535 B.E.) within 3 business days from the date which the buying, selling, transfer or being transferred have been carried out to the Securities and Exchange Commission. It is also prohibited to trade the Company's securities

during the 1 month period prior to the publication of the financial statements (including additional amendments).

- 2.10 The directors and executives must report the trading of the Company's securities/the changes in the holding of the securities to the Securities and Exchange Commission as well as noticing the Company at least 1 day in advance prior to the trading of the securities through the supervising and inspection department and report to the inspection and good governance committee every quarter. The inspection and good governance committee will then make a deliberation on the holding of the securities and make a quarterly report to the Board of Directors.

### **Section 3 Role of Stakeholders :**

The Board of Directors focus on The responsibility of environment and society including other stakeholders and realize on the role of all stakeholders which is the Important factors to drive the Company sustainable growth

### **Operations in 2020**

- 3.1 The Company has prepared a sustainability report in accordance with the frame by Global Reporting Initiative (GRI) both in Thai and English language which is separated from the annual report and the Company has published the mentioned sustainability report on the Company's website.
- 3.2 The Company has issued policies and procedure in regards to safety and hygiene in the workplace as well as a disclosure on the statistics of accidents or the rate of absence and the occupational illness rate (the details are in the sustainability report).
- 3.3 The Company has issued policies and procedure in regards to the employees' remuneration and benefits which is in consistent with the Company's operational performance as follows;
  - 1) The Company is committed to pay a fair compensation as well as provide fair benefits to the employees, suitable with the economic conditions and in coherent with the law and the compensation paid by other competitive companies in the same industry.
  - 2) The Company gives the opportunity for all employees to work under their ability and the Company has the assessment system through the Key Performance Indicators ("KPI") relating to the annual business plan, goal of the short term and long term strategy and the Company shall determine the appropriate returns and creating a motivation in a form of the annual merit increase, bonus for the employee who work and support the business plan and the short term and long term strategy.
  - 3) The Company provides a welfare which responds to the basic needs of employees such as provident fund, meal allowance, diligence allowance, providing scholarships for employees, employee uniforms, shuttle bus, and various other financial support for employees, etc.

## Fair Remuneration

The Company has set a minimum wage rate for general employees without experiences in accordance with the minimum wage rate set by the law. The Company then proceeds to adjust the employees' entry remuneration rate according to their qualifications and fields used in the work operation in accordance with the specific requirements of the position, as well as adjust the outcome in order to reduce the wage gap from the adjustment of the minimum wage and the mentioned entry wage among the new employees and the current employees.

## To provide appropriate welfare to the employees and other supports

The employees of the Company also receive other welfares, in order to reduce the cost of living burden and improve the quality of life for the employees, extending also to their families, which will result in an improvement of the employees work performance and also their way of life, as follows;

- The Company provides (plain) rice for the employees at every meal
- Increase the lunch allowance and control the food cost to remain lower than the market price.
- Infirmary service and scheduled doctor's service
- Employees' health insurance and life insurance by arranging an annual health check for the employees including a group health insurance and group accident insurance.
- Employees' children education funds support and financial support in the event of the death of the employee, the employee's spouse or the employee's parents.
- The employees are given the opportunity to express their opinions though the internal suggestions channel.

In 2020, the Company had organized vaccination for 3 types of influenza including 1. Influenza A/H1N1 2. Influenza A/H3N2 3. Influenza B to the employees at a special price.

## Measures to take care the employee during the spread of Coronavirus 2019 (COVID-19)

In 2020, due to the spread of Coronavirus 2019 (COVID-19) all over the world, the Company has realized and concerned about the health and safety of all employees including disable employees in the companies in Somboon Group. The Company has the measures to prevent Coronavirus 2019 (COVID-19) infection to create the confidence to all employee to build a courage as follows:

- 1) The Company has a health screening point with various equipment at the entrance.
- 2) The Company provides the work place in good safety and sanitation.
- 3) The Company has the measure for social distancing.
- 4) The Company provides the surgical mask.
- 5) The Company provides alcohol gel in all areas.
- 6) The Company has support the working from home method.
- 7) The Company communicates to create the understanding in COVID-19 through facebook, Bok Khao Lao Rueng to the companies in Somboon Group and the Company's website.

## Safety Employee



## Safety Family



## Safety Business



### The establishment of funds, Provident fund, Compensation fund and Cremation Aid Association

In regards to the provident fund, the Company pays contribution and benefits to the employees in order to promote savings for the employees to have a reserve which can be used once they retire and/or leave the job, as another one of the employees' welfare.

| Collection and Contribution (%) of the wage |                                                                     |              | Payment of Contribution and Benefit of the employee                                                                                                            |                                               |
|---------------------------------------------|---------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Year of work or year of membership          | Employee (%)                                                        | Employer (%) | Year of work                                                                                                                                                   | The right of the contribution and benefit (%) |
| 4 months or less than 4 years               | Minimum 3%<br>Maximum 15%,<br>regardless of the years of membership | Not over 3%  | • less than 5 years                                                                                                                                            | 0                                             |
| 4 - 7 years                                 |                                                                     | Not over 4%  | • 5 years but less than 6 years                                                                                                                                | 50                                            |
| more than 7 years                           |                                                                     | Not over 6%  | • 6 years but less than 7 years<br>• 7 years but less than 8 years<br>• 8 years but less than 9 years<br>• 9 years but less than 10 years<br>• 10 years onward | 60<br>70<br>80<br>90<br>100                   |

Remark: The employee can choose to pay money to the provident fund at the rate of 3-15%.

3.4 The Company has issued policies and procedures in regards to the development of knowledge and potentials of employees at every level by building an education center for the companies in the Somboon Group, which was established in 2014 (2557 B.E.), in order to develop and enhance the competency of employees at every level within Somboon Group as well as the stakeholders and the society, with important mission as follows;

1. Develop and enhance the ethics and morals including knowledge and skills in terms of quality, safety, technology, administration and capabilities according to their career path.
2. Reinforce healthy people's behavior to be consistent with the corporate culture.
3. Develop and improve trading partners in terms of procedures and business ethics.
4. To be the learning center of the community, students, university students through activities and various projects. Where the imperative goal is to operate under the philosophy of "Somboon Triple Bottom Line".

### Average employee training (hour /per person/ per year)



8.00

12.5

Success Indicator

2020

2019

- 3.5 The Company has provided fair employment conditions for its employees and also the policy to provide employees with short-term and long-term remuneration, such as the appropriate salaries and bonuses based on employees' performance and the results of the Company's performance, as well as the Provident Fund for employees.
- 3.6 The Company has established policies (1) not to relate to the violation of human rights (2) to fairly practice and be responsible to customer / competitor / trade partner - the process of selection of trade partner / creditor - the condition of the bond, the capital management and in the event of default (3) not to conduct an infringement of intellectual property / copyright. (as detail specified in code of conduct)
- 3.7 The Company has promoted the use of resources with efficiency and worthiness and directed employees to be definitely attentive and perform duties with consciousness by taking into account the safety and environment, encouraging stakeholders of the Company to participate in the developments of the community and societies and still adhering to and develop the practical performance towards the stakeholders continuously by revealing accident statistics, rate of strike and illness rate of work. (as detail specified in the sustainability report)
- 3.8 The Company has issued clear policies and procedures in regards to all groups of stakeholders such as shareholders, employees, clients, trade partners, creditors and competitors in code of conduct, as well as emphasizing on the importance of the guidelines on safety, occupational health, environment, community and society including a wide variety of social activities.
- 3.9 To establish policies and procedures on anti-corruption prevention measures on receiving and giving of gifts or other benefits to persuade the other party to commit a wrongful act and cause a conflict, by revealing the practical guidelines to the Company's trading partners' general acknowledgement, as well as establish a procedure to assess risks from corruption, supervising, control, monitoring and evaluation. In this matter, the Company had organized a training session for the employees and trading partners in order to create awareness regarding the policies and procedures in the practice of anti-corruption. Moreover, the Company has a procedure to manage complaints in regards to a possibility of a wrongful act and has a guideline in the protection of the employees or the informant of such behavior.
- 3.10 To support the employees to exercise their political rights in neutrality.
- 3.11 In order to lead to a serious practice, the Company has organized a preparation of a manual on "Code of Conduct" as a discipline in which the directors, executives and all employees must strictly adhere to. If there is a violation or non-compliance, it will be considered as a violation of discipline in accordance with the personnel management regulations.
- 3.12 The Company is consideration of the equal rights and morality in accordance with human rights by treating the employees in the same way as other stakeholders.
- 3.13 The Company has a policy to ensure that the trading partners will be treated equally, fairly and on the basis of fairness for both parties, avoiding situations that can cause conflict of interest as well as adhering to the commitment, providing factual information, accurate reports and strictly comply with the various conditions as agreed with the trade partners. In the event that any of the conditions cannot be fulfilled, the Company must notify the trade partners in advance in order to jointly consider on a solution.
- Trade partners selection criteria covering 6 aspects are as follows:
- 1) Financial status
  - 2) Expertise and experience
  - 3) Technical abilities
  - 4) Complaints history
  - 5) Conflict of interests / connected transaction
  - 6) Anti-corruption policies and quality policies
- 3.14 The Company has a strict compliance policy with the conditions, contracts and obligations as agreed with the creditors, whether in terms of objectives of the expense, repayment, quality assurance of the collateral and other matters which have been agreed with the creditors. In the event that any of the conditions cannot be fulfilled, the Company will notify the creditors promptly in order to jointly consider on a solution. The Company is committed to maintain a sustainable relationship with the creditors and convey a mutual trust.
- The Company has established a guideline in capital management to build a strong stability and prevent the Company from being in a difficult situation in creditors' debt repayment and attach importance to the management of financial liquidity by making debt repayment plan to the creditors and prepared to repay debt to the creditors by the due time.
- Nonetheless, the Company's directors attach importance to the monitoring, planning and control of financial liquidity to be suitable with the Company's financial activities by having a process to evaluate the ability of debt repayment and the liquidity to prevent significant risks from all dimensions, both under normal conditions and under crisis.

#### Section 4: Disclosure and transparency

The Company focuses on the disclosure of the Company's significant information regarding their accuracy, transparency, proper period such as the shareholder's structure, the business operation, the financial performance, the corporate governance policy, the business policy, the inspection and internal control process through the news system of the Stock Exchange of Thailand and the Company's website according to rules and guidelines on good governance in accordance with the laws, rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission so that all stakeholders can equally access to the Company's information.

#### Operation in 2020

- 4.1 To submit the quarterly and annual financial report certified unconditionally by auditor to the Securities and Exchange Commission/ Stock Exchange of Thailand within the specified period. The company has no record, of being ordered to amend the financial statement from the securities and Exchange commission and Stock Exchange of Thailand.
- 4.2 To disclose the information in Annual Report and the Company's website such as shareholder structure, information of director and executives, vision and mission, nature of business operation, corporate governance policy, corporate social responsibility policy, financial statement and analysis from the analyst and institutions, annual report, sustainability report, annual registration statement, shareholder's meeting, names of major shareholders, news informed to SET and news from printing media.
- 4.3 To disclose the criteria on directors and executives' remuneration.
- 4.4 To disclose the roles and duties of the Board of Directors and the sub-committees, as well as the number of meeting and each meeting attendance records in the past year including professional training program and development consecutively.
- 4.5 To disclose the information regarding directors and executives' shareholding in the Company and specify the policy for directors and executives to report on the followings;
  - (1) To acquire and dispose of the Company's share under the policy : Directors and executives shall be responsible to report the trading of the Company's securities/the changes in the holding of the securities each time they are acquired and disposed to the Office of Securities and Exchange Commission and notify the Company at least 1 day prior conducting the securities' acquire or disposed share to Compliance Department, the Audit and Corporate Governance Committee and report to the Board of Directors in every quarter.
- (2) The Company has policy to prevent the conflict of interest that the Company's directors and executives must report the conflict of interests and every changes of their interest to Compliance Department, the Audit and Corporate Governance Committee quarterly. Besides, the Audit and Corporate Governance Committee shall consider the report of the connected transaction and the conflict of interest and report to the Board of Directors in every quarter.
- 4.6 The Company has the policy for the connected transaction approved by the Board of Directors. In addition, in 2020, no the connected transaction may cause the significant conflict of interest.
- 4.7 The Company appointed the certified auditors approved by the 2020 Annual General Meeting of Shareholders since they have already performed their duties for 6 consecutive years. All auditors' qualifications had qualified with the requirements of the Stock Exchange of Thailand and the auditing fee including the audit of the Company's BOI promoted business for the year 2020 was 1,571,000 Baht which was increase 80,000 Baht from the year 2019. Also, none of the auditors provide other services to the Company or have any relationship or interest in or with the Company or its subsidiaries, executives or major shareholders and any related persons.
- 4.8 To disclose the information relating to the directors and executives published at the Company's website, consisting of their name, position, education, shareholding in the Company, work experience and picture.
- 4.9 The Board of Directors established the policy to prevent the use of internal information by prohibiting to take the opportunity or information received from being in the position of executive director or employee for personal gain or to operate the business that competes with the Company or related the Company's business as well as not using the internal information to acquire or dispose the Company' share for personal gain or disclose the internal information to others for the benefit to acquire or dispose the Company's share and not to acquire, dispose, or transfer shares in advance at least 1 month before the operation result and/or internal information disclosed to public by news system of SET. In addition, the directors and executives must

report the trading of the Company's securities/the changes in the holding of the securities to the Office of Securities and Exchange Commission according to Section 59 of the Securities and Exchange Act. B.E. 2535 (1992)

- 4.10 The Board of Directors has specified the principle for the directors of the Company, subsidiaries and executive to report on their conflict of interest and related person according to the Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) and require to revise the report every year and/ or any change every time by sending to Compliance Department within 7 working days.

The Company has also required the employee of the Company and its subsidiaries at the management level, the manager up level and related employees in manager down level considered by Vice President in each division to provide such report of the conflict of interest according to the Corporate Governance Policy. In 2020, there were the report of 116 persons in total and the results shows that there were no executives, employee and related persons involved with the interest and entering into transaction with the Company and its subsidiaries and then report to the Audit and Governance Committee for further informing to the Board of Directors for acknowledgement.

- 4.11 To have Investor Relations Department as the channel to contact communicate correct information and answer the question from the investor and media via sending email: [ir@somboon.co.th](mailto:ir@somboon.co.th) and telephone no. 02-080-8197

### The Investor Relations

The high level executives of the Company pay an important role in the investor relations by participating in the meeting, giving information and exchanging opinions with the shareholders, the investors the analyst and the reporter regularly. The Company has established the Investor Relations Department since registering in the Stock Exchange of Thailand so that the shareholders, the investors, the analyst, the reporter and general interested people can quickly access to the Company's information. The Company's information is correct, complete, clear and up-to-date especially the significant information that would affect the share price of the Company. Moreover, such information can be used for decision-making for effective investment which would affect the true value of the Company.

The Company has disclosed information and news according to the criteria of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) through various channels such as communication channel and promulgation of information of SET, giving an opportunity of Site visit for investors or analysts or Company Visit, proving an opportunity for the reporter from Thai and foreign news station to meet and interview, issuing of Earning Release of the Company to the public regularly, arranging the meeting to communicate the information of the Company, giving opportunity to the investor to inquire the Company's information through IR Contact via telephones and electronic mail and post news via the Company's website ([www.satpcl.co.th](http://www.satpcl.co.th)) which has been updated in part of Investor Relations regularly in relation to the Balance Sheet, the Annual Report, 56-1 Form, the Company's presentation document, security analysis and others.

In 2020, due to the spread of COVID-19, the Company still arranged the activities to present direct and indirect information in appropriate measure to the situation as follows:

- 1) To present the information to investors (Road Show) 2 times in the domestic.
- 2) 4 quarterly Analyst Meetings to clarify the performance result.
- 3) The Company's Site Visit or to discuss with the executives of the Company (Company Visit) and conference calls from the analysts and investors from both domestic and foreign institutes for 25 times.
- 4) To present the information to the Opportunity Day organized by the Stock Exchange of Thailand for 4 times.
- 5) To publish news to mass media and the Executives have interviewed to the domestic newspaper for 4 times.
- 6) To publish Press Releases when the Company had the investment activities or significant business activities.
- 7) To give information and answer questions of the investors and press regularly via email at [ir@somboon.co.th](mailto:ir@somboon.co.th) and telephone no. 02-080-8197.

In 2020, the Company received SET Award of Honor in the Excellence in Investor Relations 2017-2020 which is the award by SET to give to the listed Company having the best performance in investor relation for 4 years consecutively.

## Section 5: Board Responsibilities

The Company recognizes the importance of directors' role and responsibility to protect the shareholders and stakeholders' interests as to establish the business strategy, consider and investigate business operation, conduct the transparency business. The Company has conducted on the following matters:

### Operation in 2020

5.1 The Board of Directors reviewed and approved the vision and mission of the Company so that the executives and employee has the same direction and also established a guideline for participation as follows;

- 1) To determine the vision, mission, strategy, goal, business plan and budget of the Company by holding in dependent expressions on the opinions in order to jointly prescribe the direction of the Organization through on-the-job seminar between the Board of Directors and Senior Executives regularly every year.
- 2) To review and Rolling every year in order to monitor the Management being compliance with plan, direction and business operation of organization consistently.
- 3) To arrange the discussion session for the Managements to freely discuss and share their opinion in order to determine the direction of organization and be ready for economic change.

4) Giving suggestions, opinions and guidelines for the organization management in order to plan the direction to meet the goals.

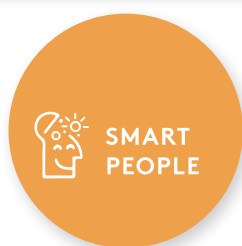
5) To communicate with all levels of the employees in regard to the policy, goal and direction of the Company through the Activity literally so called, "Jub Khao Khui Kun" by the President twice a year.

In 2020, the spread of COVID-19 bring to the decline of economic and automotive industry and it will bring the domino effect to economic and automotive industry in the period of 1-3 years in the future. The Company still focus on the adaptation to sustain the sustainable growth for the long term vision, mission and goal is to "strive for sustainable growth in automotive industry through advanced technology and partnership."

5.2 The Board of Directors shall monitor that the Management shall operate business in compliance with the business strategy, therefore the Management shall report the operation result, finance issue particularly strategy plan and financial target to comply with strategy plan to the Board of Directors every quarter.

In 2020, due to the spread of COVID-19, the Board of Directors considered for the critical plan for economic crisis in many sectors including providing the strict measurement for the safety of all employee in compliance with the business and strategy plan as follows:

## Long Term Goal (2018-2023)



Employee Development in training

**16**

hours/year/person in 2022

Doing good work average

**10**

hours/year/person in 2022



To increase sale revenue in the level

**10,000**

Million Baht within 2023

Customer Satisfaction to

**100%**

in 2023



To create opportunity and strengthen in community

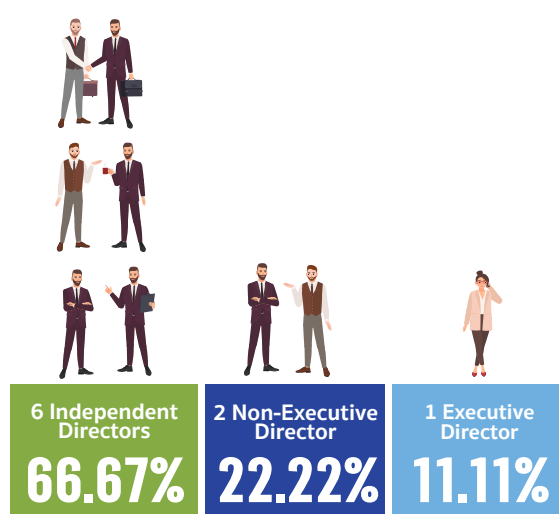
**0.20%**

of sale revenue

- 1) The strict measurement for the safety of employee
- 2) To adapt to the digital transformation
  - 2.1) To focus on the high standard and quality in manufacturing
  - 2.2) To adjust business for the technology transformation
  - 2.3) To monitor, study and work with people who have experience and expertise in technology development
- 3) Internal Management will focus on:
  - 3.1) Cost Reduction to be competitive with the competitor
  - 3.2) Maintain quality control and standard to meet the customer need
  - 3.3) Employee Development and teamwork
  - 3.4) Process Improvement to be more efficiency
- 5.3 In order to perform business operation in compliance with the Corporate Governance with efficiency, the Board of Directors establish the policy for the number of listed Company that the director shall be a position of director as follows:
  - 1) The number of not exceeding 5 listed companies that the director shall be a position of director  
The performance:  
  
In 2020, each director shall be the position of director in the listed companies not exceeding 5 companies.
  - 2) The President and executives shall be the position of director at other companies in the condition to be approval by the Board of directors.
- 5.4 To determine the rotation of independent director not exceeding 9 years continuously without condition, starting from 1 January 2015 onwards.
- 5.5 The directors and executives had not been the employee or partner of the external auditor Company provided service for the Company during the past 2 years.
- 5.6 No directors and executives shall be the position of director in other listed companies not in the scope of business more than 2 companies.
- 5.7 No record on violating the Regulations of the Securities and Exchange Commission and Stock Exchange of Thailand.
- 5.8 The Board of Directors arranges the internal audit system covering the financial, operation in accordance with the law, rules and regulations, the risk management, as well as the effective mechanism to investigate and balance to the business operation including to protect the assets. The Company also initiated the Internal Audit Department under the supervision of Mrs. Onanong Yaiyatham which is the

independent unit reporting directly to the Audit and Corporate Governance Committee as well as providing the quality report of Audit and Corporate Governance Committee disclosing the number of meeting in such year with sufficient information to evaluate and verify internal control system, related transaction, select, appoint, or terminate the auditor, review financial report and specify the audit risk management, the compliance with rules, regulation and summary of opinion of the Audit and Corporate Governance Committee.

- 5.9 The Board of Directors has established the diversity of director policy which is the important factor to increase efficiency to make decision and the operation of the Board of Directors by considering the necessary skill which has been lacking in the current structure of Board of Directors without restriction on genders, age, the education background, experience professional and specialized skills for specific aspect necessary to the business in order to encourage the Board to be more efficiency in accordance with business strategy and to support the composition of the Board of the Directors to be entirely completed dimensions in knowledge, competency, experiences and diversity dimension to be profitable in high performance efficiency.



In 2020, the Current structure of Directors has completely consisted of 9 persons which are 6 Independent Directors, 2 Non-Executives and 1 Executive Director. Also, there were no directors who held positions in listed companies more than 5 companies.

- 5.10 The criteria and the process to elect the new directors: In case, there is available in director position, the Nomination and Remuneration Committee for the Directors and Executives has duty to has process with the selection criteria and method by taking

into account to qualification, knowledge, working experiences, necessary skill which has been lacking in the current structure of Board of Directors to be consistency with the business operation to fully perform the director duty including no prohibited characteristic under the law and good governance principle. To select and nominate the director by considering from director pool for the consideration of director selection, it shall diversify in the structure of the Board including to provide the Board Skill Matrix to specify the directors' qualification to be consistency with the business operation. In addition, The Company give an opportunity to shareholders to nominate the names of qualified persons for being considered to be elected as directors in accordance with the nomination process thus the Nomination and Remuneration Committee for the Directors and Executives to screen the qualifications of directors and appropriation of applicant and nominate person or the director who retires by rotation and propose to the Board of Directors to endorse to propose to the shareholder meeting for the director appointment with following qualification:

#### Qualifications of Directors

The Company's Director shall have knowledge, competency, be prompt to perform their duties and consist of the minimum qualification as follows:

- a) Be qualified and free from restricted characteristics as provided in the Law on Public Limited Company and also free from characteristics which express the disqualification of being trusted from the shareholders to conduct the Company's management according to The Securities and Exchange Commission's announcement.

- b) Have knowledge, skill or experience in specific aspect especially the autopart manufacturing, agriculture machine, new auto technology and international trade depended on the appropriation of the Company's situation during that period according to the diversity of the committee structure. The nomination and appointment of the Board of Directors are based on their knowledge, ability and criteria of diversity.
- c) Be able to devote themselves especially for making an important decision and performing the duty for the benefit of the Company and also attending the Board of Directors meeting as well as the shareholder meeting every time unless there is an force majeure.
- d) Be a person with morality, ethics and having other qualifications that may further be defined by law or the appropriation of the Board of Directors.

The following skill matrix which is necessary for the Board of Director shall govern the business to be sustainable growth under the strategy plan and goal :

1. Management and Administrative Business Management
2. Plant Management/Engineering/Automotive
3. Strategy Planning
4. Law and relevant regulation
5. Human Resource Management
6. Sale and Marketing
7. Accounting and Audit
8. Finance and Capital Management
9. Civil Society Work , Community Enterprise, Natural Resource, Environment and Sustainability
10. Technology and Digital
11. Others

#### Knowledge / Experience / Expertise

#### Amount

|                                                                                                                                         |                                                                                                                                |                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management and Administrative Business Management  9 | Plant Management/ Engineering/Automotive  4 | Strategy Planning  9                                                                           |
| Law and relevant regulation  3                       | Human Resource Management  7                | Sale and Marketing  4                                                                          |
| Accounting and Audit  6                              | Finance and Capital Management  6           | Civil Society Work , Community Enterprise, Natural Resource, Environment and Sustainability  7 |
| Technology and Digital  1                            |                                                                                                                                |                                                                                                                                                                                     |

5.11 The criteria and the process to select the President and executives

The Company has the criteria and the process to select the President and executives. The Board of Directors assigns the Nomination and Remuneration Committee for the Directors and Executives to select and nominate the qualified person to the Board of Directors to consider appointment as follows:

- 1) To consider from the appropriation of knowledge, experience, competency, expert skill to be necessary to the Company or in relating to the business or core industry of the current operation consistency with the strategy and business direction
- 2) To consider for the diversity of gender, age, race, nationality, expertise, skill experience and knowledge and academic competency and sustainable factor including having good image, leadership and comply with the good governance principle to bring about the efficiency executives.

5.12 To set the policy on the minimum quorum of the Board of Directors by providing that, to vote at the meeting, the Director must be present at least two-thirds of all members.

5.13 To establish the Compliance Unit and appoint Miss Pasucha Sinchai, Assistant General Manager-Compliance Department, to be the head of Compliance Unit, commencing on September 1, 2020

5.14 The Company has a policy for Non-Executive Directors (NED) to organize their own meeting in order to discuss on outstanding management problems at least once a year without the attendance of Operation Department. In 2020, NED were arranged 1 meeting on January 23, 2020 by the Non-Executive Directors and the chairman brought the issues from such meeting to be added in the agenda of the Board of Directors' meeting so that the directors can jointly discuss and share their opinions.

5.15 The Board of Directors establish the Risk Management Policy and the risk management system sufficiently and to follow up frequently. Therefore, the Company has set up the Enterprise Risk Management Committee at operation level to consider the risk factors and the guideline of key risk management that affect target of the organization strategy by thoroughly considering all risks both in quantity and quality aspects, give useful recommendation to prevent and monitor the risks from the present situation as well as follow up, supervise and analyze the Enterprise Risk Management and then report the result of risk management to the Board of Directors.

5.16 The Board of Directors and Audit and Corporate Governance Committee has established the Corporate Governance Committee by assigning the President as a chairman of working team to perform the duties as follows:

- 1) To support and publicize the corporate governance policy, Code of Conduct and Work Rules.
- 2) To study, improve, evaluate, review and propose the corporate governance principle, Code of Conduct and Work Rules to be up-to-date with the Securities and Exchange Commission and Stock Exchange of Thailand's Regulations and guideline of leading organization which are international standard.
- 3) To evaluate the performance according to the corporate governance policy, Code of Conduct and Work Rules, and report its result to the Board of Directors via the Audit and Corporate Governance Committee quarterly.
- 4) To perform any acts designated by the Audit and Corporate Governance Committee.

5.17 To clearly separate the roles, authorities and duties of the President and the Chairman of the Company and to appoint the independent director to be the Chairman and the Chairman of the Executive Board and other Sub-Committees.

5.18 The Board of Directors and the Nomination and Remuneration Committee require to have the executives' performance evaluation annually through the form of key performance indicators (KPI) that specified target relating to the remuneration rate as prescribed by the Nomination and Remuneration Committee. In addition, the Board of Directors and the Nomination and Remuneration Committee shall determine under the remuneration structure and compare with 1) data the remuneration survey from the institution, organization and trustworthy agency 2) GDP rate, inflation rate, net profit in 5 years including to consider from performance consistency with the assigned responsibility (Schedule Detail of Management Remuneration page 70)

5.19 The Board of Director has control, govern and responsibility for the operation of the Company, subsidiaries and affiliates by having mechanism for the benefit in investment and to appoint the representative to be the director, executives or the control person approved by the Board of Directors.

5.20 To review the scope of the roles and duties of the Board of Directors and its subsidiary directors at least once a year.

5.21 To establish the channel for filing a complaint and suggestion on any matters as well as a whistle blowing of illegal activities by allowing the employee and stakeholder to express their opinions independently in order to improve the management system. Moreover, they can complain via email of independent directors directly or writing a complaint letter to the Company secretary as well.

Process after receiving the complaint

- 1) Collecting fact
- 2) Evaluation and review fact
- 3) Action measure
- 4) Result report

5.22 To establish the policy on conflict of interests in the Code of Conduct and Work Rules to prevent the self-benefit action.

5.23 The Board of Directors appointed the Sub-Committees which are:

- 1) The Audit and Corporate Governance Committee
- 2) the Nomination and Remuneration Committee for Directors and Executives and
- 3) the Executive Board, and clearly defined their scope of powers and duties. (Section: the structure of committee page 51)

5.24 The Board of Directors has scheduled the meeting schedule for the Board of Directors and the sub-committees in advance all year round which arrange the schedule in September-October of every year and the Board of Directors will organize at least 6 meetings per year including the special meeting as necessary. At each meeting, the agenda for consideration, acknowledgement, discussion and opinion sharing will be clearly specified with sufficient document delivered to the Board of Director 7 day prior the Meeting so that the director can study through information before the meeting. In the meeting, the Chairman will properly manage time for all directors to independently recommend and share opinion. Then, the Chairman will summarize the issue from the meeting and the Company Secretary will provide the minutes. After certified by the meeting, the minutes will be filed at the office of the Company Secretary at the 2nd floor, 11th building at the head office. (Please find the details in the table of meeting attendance of each director.)

In 2020, the whole Board of Directors attend the meeting 100% per year and each director attends the meeting 100% or total times of the meeting.

## Duty of Board of Directors in 2020

- 1) To consider the date of the Annual General Meeting of Shareholders and agenda as follows:
  - To fix the record date to specify the shareholders who are entitled to attend the Annual General Meeting and dividend payment Agenda of the 2020 Annual General Meeting of Shareholders
  - To acknowledge the report on the Company's operating results
  - To consider and approve the balance sheet and profit and loss statements for the fiscal year
  - To acknowledge payment of interim dividend
  - To consider and approve the appropriation of profit in Operating Results
  - To consider and approve the appointment of directors in place of those retiring by rotation
  - To consider and approve the remuneration of directors
  - To consider and approve the appointment of auditors and to fix his/ her remuneration
- 2) To consider and approve the financial statement and operating results of the previous year
- 3) To acknowledge performance of Audit & Corporate Governance Committee of the previous year
- 4) To review the remuneration of directors comparing with the performance
- 5) To consider the performance of the corporate strategy.
- 6) To approve 2020 KPI of President
- 7) To approve the 2020 President remuneration
- 8) To approve criteria 2020 KPI Bonus for employee
- 9) To acknowledge SBG air pollution
- 10) To acknowledge of investor relation performance
- 11) To consider the executive successor plan and organization
- 12) To review and monitor the business strategy
- 13) To consider the risk management plan
- 14) To consider investment plan
- 15) To arrange the Meeting of Non-Executive Director
- 16) To consider economic crisis plan

Q1

- 1) To consider the amendment of date and place of the 2020 Annual General Meeting of Shareholders
- 2) To approve payment of interim dividend
- 3) To consider and approve the financial statement and operating results of the first quarter
- 4) To acknowledge the performance of Audit and Corporate Governance Committee of the first quarter

Q2

- 1) To arrange the 2020 Annual General Meeting of Shareholders
- 2) To appoint the director retiring by rotation back into the Sub-Committee
- 3) To approve the payment of interim dividend
- 4) To consider the investment project
- 5) To consider and approve the financial statement and operating results of the second quarter
- 6) To acknowledge the performance of Audit and Corporate Governance Committee of the second quarter
- 7) To certify the minutes of the 2020 Annual General Meeting of Shareholders on 16 July 2020
- 8) To consider adjust the organization

Q3

- 1) To consider approval the Vision Mission and business strategy
- 2) To consider approval 2021 budget
- 3) To consider and approve the financial statement and operating results of the Third quarter
- 4) To acknowledge performance of Audit & Corporate Governance Committee of the third quarter
- 5) To consider the guideline of human resource management and organization
- 6) To approve the Meeting Schedule of the Board of Director and Sub-Committee in advance
- 7) To acknowledge the report of risk management in the third quarter
- 8) To consider and approve the appointment of auditors and to fix his/ her remuneration in the year 2021
- 9) To consider the investment plan
- 10) To renew the management service agreement (Somboon Holding Co., Ltd.)
- 11) To consider cash management

Q4



## 5.25 Directors and Executive Development

### 1) Director Orientation

The Board of Directors organizes the orientation for all new directors to provide knowledge and understanding in business and operations of the Company in order to be ready to perform their duties as director. At the same time, the Company establishes the policy to strengthen knowledge and new vision in terms of corporate governance, industry condition, technology business and new innovation for all directors in order to encourage their performance with effectiveness and be able take the position as directors as soon as possible and also assign the Company Secretary to be a coordinator on the following matters;

- (1) Acknowledged matter: business structure and director structure, scope of authority, and law.
- (2) General business information, operation guideline and visiting the production line.
- (3) Arrange the discussion session with the chairman and the President to inquire them about in-depth information of the Company's business operation.



In 2020, the Company did not select a new director. However, to keep up with the current and update information, the Company report and update the new regulation and law such as the corporate governance policies, code of conduct, anti-corruption measures and ASEAN CG Scorecard guidelines that directors should know.

In this year, the Board of Directors visited the plant to see the manufacturing process at Amata City Industrial Estate and Eastern Seaboard Industrial Estate Rayong Province. The objective is to follow up and monitor the operation of production process, the improvement of machinery and technology to improve product quality under the customer standard and satisfaction including environment improvement by increasing green area and rest area for the employee to improve the occupational safety and health.



## 2. Knowledge Development for Directors and Executives

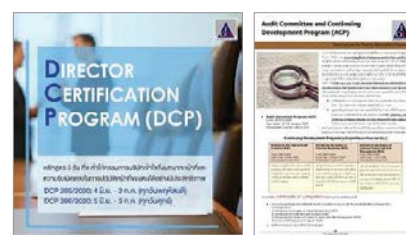
The Company supports the directors and executives to participate in the seminar that will be benefit to perform their duty. The Company Secretary will coordinate with the director to participate in the courses provided by Thai Directors Institute such as Directors Certification Program (DCP), Directors Accreditation Program (DAP), Audit Committee Program (ACP) and Corporate Governance for Executives (CGE) etc., and joint the training provided by the Company between the directors and executives to exchange their opinion and adjust the operation to be efficiency.

In 2020, the Directors and Executives attended the training courses as follows:

| Director                     |                                                        | Training Courses                                                                                                                                                                                                                                   |
|------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Mr. Sansern Wongcha-um    | Chairman of the Board                                  | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> <li>The special instructor in the geosocial and sustainability, Maejo University</li> </ul>                                                                          |
| 2. Mr. Yongyuth Kitaphanich  | Vice Chairman                                          | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> </ul>                                                                                                                                                                |
| 3. Dr. Panja Senadisai       | Chairman of the Audit & Corporate Governance Committee | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> </ul>                                                                                                                                                                |
| 4. Mr. Ajarin Sarasas        | Chairman of the Executive Board of Director            | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> </ul>                                                                                                                                                                |
| 5. Mr. Paitoon Taveebhol     | Chairman of the Nomination & Remuneration Committee    | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> <li>Director Forum: "Board's Role in Strategy for Business Sustainability</li> <li>GRC Series EP. 3: ESG Driven Boardroom from "Purpose" to "Performance"</li> </ul> |
| 6. Dr. Suthad Setboonsang    | Independent Director                                   | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> </ul>                                                                                                                                                                |
| 7. Mr. Prayong Hirunyanich   | Independent Director                                   | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> </ul>                                                                                                                                                                |
| 8. Mr. Yongkiat Kitaphanich  | Vice Chairman of the Executive Board                   | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> </ul>                                                                                                                                                                |
| 9. Ms. Napatsorn Kitaphanich | President                                              | <ul style="list-style-type: none"> <li>Strategic Planning and Management</li> </ul>                                                                                                                                                                |

### 5.26 The Evaluation of Director Performance

The Board of Director has evaluation at least once a year to review whether to control and governance in the operation sufficiently and to apply the information to the management to improve and develop in administrative management by apply the form under guideline of SET to be proper ad consistency with the particular category and report the result of evaluation to the Board of Director to analyses the result to develop the business operation. The Board of Director stipulates (1) a self-assessment of the Board (2) self-evaluation of individual directors. (3) self-evaluation of sub-committees including the Board of Directors, the Audit & Corporate Governance Committee, the Nomination and Remuneration Committee, The directors had considered the work and solve the problem together for the improvement / development.



## Self-Assessment Procedures- The Whole Board of Directors

To evaluate the performance of the directors in 6 main items under SET guideline as follows:

- 1) Structure and the qualification of the Board of Directors consists of the variety of directors, director ratio, qualification of each committee
- 2) Roles, duties and responsibilities of the Board of Directors consists of using the sufficient time to consider the important matter, conflict of interest, internal control system and risk management.
- 3) The Board of Directors' Meetings consist of arranging the meeting schedules in advance for the whole year, quality of document having sufficient for the Board of directors' decision.
- 4) Duty of director consists of attending the Meeting regularly and giving opinion independently
- 5) Relation with the Management consists of giving opportunity for discussion and taking part to solve problem
- 6) Director Self-Development and Executive Development consist of understanding in his role, having knowledge in the Company's business, supporting the director to attend training, successor plan, etc.

### The Criteria of Self-Assessment- The Whole Board of Directors

- 1) The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified by the Corporate Governance Section.
- 2) The Company Secretary: the conclusion and analyze the assessment result of performance of the Board of Directors and report to the Board of Director
- 3) The Company Secretary is to provide improvement plan from analysis and additional opinion by the Board of Director

## Self-Assessment Procedures- Each Director

To evaluate the performance of each director in 3 main items as follows:

- 1) Director qualification: the variety of the Board of Directors, approval for the director performance
- 2) Roles, duties and responsibilities : the independence of director, giving opinion, joining activities, internal control system, risk management and information disclosure
- 3) Meetings: attending the meeting, giving opinion and study through information in advance
- 4) Giving other useful opinion to the Company

### The Criteria of Self-Assessment - Each Directors

- 1) The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified by the Corporate Governance Section.
- 2) Each directors conduct the self-assessment to give opinion in relation to the role and duty of the director, independence, management structure, knowledge development and opinion related with management administration of organization.
- 3) The Company Secretary is to conclude and analyze the assessment result of the Board of director's report to provide improvement plan.

(1) The result from self-assessment of the Board of Director for the Year 2020

**Average score 2.91 in Level Quite Very Good**

**Assessment Topics**

|                                           |              |
|-------------------------------------------|--------------|
| • Structure and Qualification of Director | average 2.89 |
| • Role/Duty/Responsibility of Director    | average 2.88 |
| • The Board of Directors' meeting         | average 2.94 |
| • The performance of the Board            | average 2.94 |
| • The relationship with Management        | average 2.91 |
| • Self-development and Executives         | average 2.87 |

Additional opinion/remark from the self-assessment is that the Directors have paid attention to monitor and follow up the operation under business strategy in the technology transformation and the internal management under the COVID-19 situation.

(2) The self-assessment of each director for the Year 2020

**Average score 2.90 in Level Quite Very Good**

**Assessment Topics**

|                                           |              |
|-------------------------------------------|--------------|
| • Structure and Qualification of Director | average 2.87 |
| • The Board of Directors' meeting         | average 2.94 |
| • Role/Duty/Responsibility of Director    | average 2.88 |

Additional opinion/remark from the self-assessment is the Board of Directors give the opportunity to each director to give comment and recommendation that are helpful and important to manage the business under the spread of COVID-19.

(3) The result from self-assessment of the Committee for the Year 2020

3.1 The Executive Board

**Average score 2.80 in Level Quite Very Good**

**Assessment Topics**

|                                           |              |
|-------------------------------------------|--------------|
| • Structure and Qualification of Director | average 2.65 |
| • The Board of Directors' meeting         | average 2.83 |
| • Role/Duty/Responsibility of Director    | average 2.94 |
| • Self-development                        | average 2.79 |

Additional opinion/remark from the self-assessment is the Board of Directors concentrates on the following up of business operation under the strategy plan, business operation, research and technology development to be ready for technology transformation for the automotive industry, the cost reduction including the production improvement to be more efficiency.

3.2 The Audit and Corporate Governance Committee

**Average score 3.00 in Level Excellent**

**Assessment Topics**

|                                                     |              |
|-----------------------------------------------------|--------------|
| • The performance of the directors                  | average 3.00 |
| • Review of Financial Reporting / Detection Systems | average 3.00 |
| • Independence of director                          | average 3.00 |
| • Compliance with the law                           | average 3.00 |
| • The report of director                            | average 3.00 |

Additional opinion/remark from the self-assessment found that the Audit and Corporate Governance Committee has adequately independence and convince that all process of operation are transparent and can be audited including the risk assessment, risk protection measurement, risk detection in compliance with the law.

3.3 The Nomination and Remuneration Committee

**Average score 3.00 in Level Excellent**

**Assessment Topics**

|                                            |              |
|--------------------------------------------|--------------|
| • The Structure and director qualification | average 3.00 |
| • Role/Duty/Responsibility of Director     | average 3.00 |
| • Director Duty                            | average 3.00 |
| • Self-development                         | average 3.00 |

Additional opinion/remark from the self-assessment is the Nomination and Remuneration Committee focuses on the personal, director and executive development for the technology transformation and the research and development including the successor plan for executive in compliance with the strategy.

5.27 The Company established a Successor Plan of the President and Vice President in order to ensure that the Company has the executives with knowledge and competency sufficient to perform duties, as follows:

- (1) The Board of Directors shall prescribe the development plan to provide the successor plan for the President and Vice President in all functions.
- (2) The Nomination and Remuneration Committee shall prescribe the qualification, knowledge, competency and experience of each position in order to select the executive who has qualifications in compatibility with required qualifications in each position.
- (3) The President shall evaluate the performances and knowledge of the executives having the qualifications comparatively equal to the level of required competency in order to make the Individual Development Program to reduce the competency gap.
- (4) To assign Organization Development in HR to monitor and follow up on the trainings to develop knowledge and competency of the successor of the Vice President.
- (5) The President shall rotate the duty and responsibility of the executives and assign the Vice President to participate in the Executive Board in order to gain understandings, experiences and readiness in the organization administration in the future.
- (6) The President shall report the performance and development result of executives to the Nomination and Remuneration Committee twice a year.
- (7) The Nomination and Remuneration Committee shall regularly review and summarize result of the successor plan of the President and Vice President and report to the Board of Directors twice a year.

In addition, to evaluate of internal successor readiness, in case, there is not preparedness, the selection criteria will select from external resource as follows:

- 1) Qualification shall be consistency with competency
- 2) Having experience in covering field
- 3) To be readiness to manage the organization
- 4) To have good relationship with external organization and the Board of Directors

5.28 To establish the strategy to improve the corporate governance, risk management and responsibility for stakeholder and community based on “Knowledge with Morality Principle”, which is deemed to be 1 of 6 missions of the organizational strategy so as to sustainably grow in business operation under the Sufficiency Economy Philosophy and good immunity creativity in business operation, as well as to encourage all employees to have knowledge and self-consciousness to work with responsibility, carefulness, honesty through the CG seminar course, “Morality... and Sustainability of Organization and Anti-Corruption”.

5.29 President Remuneration Policy including President performance

The President Remuneration has objective to reward the success to proceed under the short and long term strategy including performance assigned by the Board of Directors.

The Board of Directors evaluated the performance of the President at the end of the year by assigned the Nomination and Compensation Committee to be an evaluator and propose to the Board of Directors for approval. The results of the President’s evaluation are strictly confidential and it shall not be disclosed. The criteria on the assessment of the President remuneration in 2 parts are as follows:

- 1) Successful Measurement Index under the business plan and the short and long term strategy
- 2) Supportive factor for transparency and sustainability growth

To be cover for the specification and operation in compliance with strategy, plan, financial performance, administrative business and employee relationship and competency to lead the organization including problem solving effect to the Company and stakeholders. Hence, the result of evaluation shall be considered to salary increase and bonus of the President approved by the Board of Directors.

## Anti-Corruption Policy

The Board of Directors has focused on the anticorruption to be a transparent organization therefore, the Board of Directors shall stipulate the supporting plan and moral of organization for long term since 2010 to enlighten the employee to be good, discipline, knowledge and moral bringing about the new culture under the supporting plan and moral of organization

The Company is 1 of 27 organizations to declare its intention against the corruption and to be the 1 of 9 first organizations certified by the Private Sector Collective Action Coalition against Corruption Council: CAC to anti-corruption on July 29, 2013.

On November 4, 2019 The Private Sector Collective Action Coalition Against Corruption Commission committee (CAC) have resolved to certify for renewal “Somboon Advance Technology PCL” is a member of the Private Sector Collective Action Coalition Against Corruption. The certification will be valid for 3 years from the date of approval.

In 2020, despite the coronavirus 2019 outbreak (COVID-19) which spread around the world, the Company continues to support its partners in taking part in the announcement of intentions against corruption by participating in training with CAC to promote knowledge and understanding, including preparing a self-assessment, risk assessment method, audits and monitoring methods, which are the tools for preventing the offering and acceptance of bribes.

### **The Board of Directors approved the Policy/ Rule/ Guideline for the SBG anti-corruption as follows:**

The Board of Directors has restricted the directors, executives and employees of SBG to accept all kinds of corruption such as to receive thing, gift, the reception expenses, donation, or other benefit for themselves from a person who engages in business with the Company including the employee, supplier, customer and all stakeholders both domestic and international.

### **Conditions**

- (1) To stipulate the Anti-Corruption Policy in the Manual of Corporate Governance and Code of Conduct
- (2) To cover all activities associated with the SBG operation
- (3) To evaluate the risk of corruption throughout the organization annually

### **Guidelines**

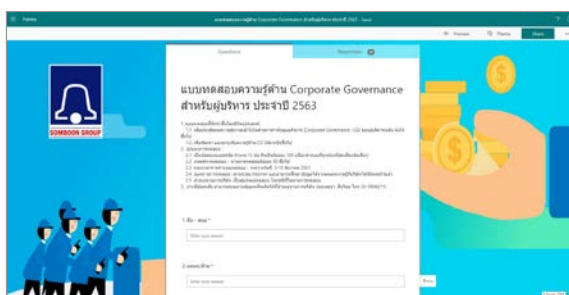
- (1) Directors, executives, and employees shall comply with the Anti-Corruption Policy, business ethics and codes of conduct, and will not be a part of any kind of corruption, either directly or indirectly.
- (2) Every employee will not disregard or ignore any corruption activities involved with the Company and subsidiaries; they will notify the supervisor or the person responsible for the matter and corporate in the investigation. If they have any question, they can ask or consult the supervisor or the person responsible for overseeing the business ethics via the available communication channel.
- (3) The Company will be fair and protect employees who refuse or notify about corruptions involved with the Company and subsidiaries by using protection measure for petitioners or people cooperating in reporting corruptions according to the Company's policy in filing complains and suggestions.
- (4) The person that commits a corruption or violates the Company's business ethics will be disciplined according to the Company's rules and regulations.
- (5) The Company and subsidiaries realize the importance of providing and educating people whose responsibility is related to the Company, subsidiaries and stakeholders.
- (6) The Company is determined to create the “Good and Smart People” who has good conscience and is a good citizen of the society and country.

### **Principles and processes for Risk Assessment for Anti-Corruption**

The Board of Directors assigned the Internal Audit Department to evaluate the corruption risk separated from corporate risk by using a corruption risk assessment guideline according to Core Business's working system namely (1) Order to Cash (2) Planning and Production (3) Procure to Pay and (4) Warehouse & Logistic, to consider the risks on each activity in order to analyze the corruption channel and assess the opportunity as well as the impact (the score level of opportunity and impact assessment based on the criteria of Enterprise Risk Management Manual) and then the result of assessment will be applied to prepare the annual audit plan and reviewed annually to the Board of Directors through the Audit and Corporate Governance Committee.

The Board of Directors provided the guidelines for monitoring and assessment on the performance under the anti-corruption policy as follows

1. To survey a “Report on Conflict of Interest” of Directors and the top 4 of Executives as specified by the law and expand such survey to all management level and relevant employees who is related to the conflict of interest in order to prevent the conflict of interest which may lead to the corruption.
2. To provide the whistleblowing channel and protection measures for the whistleblower in the Company’s website and encourage all employees to make a complaint and whistleblowing and shall be deemed as a discipline and duty which the employee should comply with.
3. Assigned the supervision and inspection department to assess fraud risks and create an audit plan in accordance with the internal audit department plan. The audit was carried out according to the plan and approved by the Audit and Corporate Governance Committee. Any significant findings from the audit shall be reported to the Audit and Corporate Governance Committee.
4. A person who commits any corruptions is deemed to violate the Code of Conduct and shall be punished as specified in the Company’s Regulations and by law if such action is an illegal.
5. Promote knowledge through the curriculum “Ethics ... and Corporate Sustainability” for new employees to achieve an understanding of business ethics and work practices, Anti-Corruption Policy, and guidelines for accepting and giving items or other benefits of the companies within the Somboon Group.
6. Prepare a test of knowledge and understanding about business ethics, work practices, and anti-corruption through the Company’s intranet system and the results were obtained to assess the level of knowledge and understanding to review and develop business ethics and work practices as well as creating awareness of all forms of anti-corruption.



7. Provide communication of anti-corruption and counter corruption practices by publishing on various channels such as the Company’s website for all executives and employees to acknowledge and follow.



Practice; Receiving and providing items or other benefits of SBG Receiving gifts or any other benefits.

- 1) Prohibits executives and employees; Accepting bribes, gifts, the party, service, financial support, monetary rewards from partners, creditors or other stakeholders who do business with the company.
  - 2) Requested money or something support can be done in the form of organization and organization. It must be signed by the Authorized Director only.
  - 3) Except on traditional occasions or festivals that people should treat each other By such goods or other benefits Must have a price or value of not more than 2,000 baht and / or it is necessary to maintain a good relationship between individuals or organizations
  - 4) Designate senior management to be the organization's representative to receive items or other benefits and have to deliver it to the company secretary within 5 working days from the date of receipt of goods or other benefits.
  - 5) Except gifts during traditional festivals Employees can accept the value of not more than 500 baht, such as a calendar key ring that has the organization's logo on it.
- By assigning the senior management to be a representative in accepting and report to the President Through the company secretary office
- 6) To prevent conflicts of interest, the company does not allow employees to be representatives of the organization to receive items or other benefits. Except for force majeure Allowing executives below 1 level (self-employed or other fields) to be assigned And report to senior management immediately.

## Giving gifts or any other benefits.

- 1) Giving gifts: the New Year, or popular festivals all over each other. In these things Company operated by the provision which determines the price or value of not more than 2,000 baht and provides survey and monitoring to prevent corruption.
- 2) Assigned to Executives as a representative of the organization.

## Operation in 2020

1. The company has established strategies for improving good governance, risk management, responsibility to stakeholders and society on the basis of knowledge and moral. Which is 1 of the 6 main missions of the organization's strategy In order for the business to grow sustainably in accordance with the sufficiency economy philosophy and to build good immunity in business operations. The company encourages employees at all levels throughout the organization to have knowledge, understanding, and consciousness in performing their duties with responsibility, caution, and honesty.
2. The company has promoted knowledge in the form of, training / seminars, workshops and various activities to lead to a new organizational culture under the plan to promote and instill organizational ethics as follows
  - 2.1 The Company has set up a course on "Ethics ... and Corporate Sustainability" with a focus on the Company's policy, ethics and work consciousness, morality, honesty, commitment to responsibility towards oneself and others, and an awareness of anti-corruption to new employees at all levels in order for them to gain knowledge and understanding of the principles of good corporate governance and business ethics of the Company and lead the organization to become a "Transparent organization" of quality and in which all procedures can be examined.
  - 2.2 In order to review and inspect management's compliance with the anti-corruption policy on an ongoing basis, the Company requires all executives to take a test and review their knowledge about anti-corruption through the Company's intranet system. Everyone must pass the criteria at the level of 80%. If they do not meet the criteria, the executives are required to revise and repeat the test

until they pass. From such measurement, it was found that all executives have good knowledge and understanding about the Company's anti-corruption issues.

- 2.3 The Board of Directors has the policy to promote business partners, stakeholders grow together with SBG by defining a business-enhancing strategy starting from a project of Collective Action Coalition on Anti-Corruption of SBG and to ensuring that the entire supply chain is truly transparent. The company has expanded the network of anti-corruption efforts to the partner by promoting cognitive awareness, as well as the importance of anti-corruption to expand a more extensive network of anti-corruption networks.
- 2.4 Report anti-corruption work plans and actions and compliance with good corporate governance principles to the Board of Directors through the Audit and Corporate Governance Committee every quarter.
- 2.5 The Board of Directors had provided the opportunities for employees and stakeholders, having a channel for complaints and reporting illegal acts for purpose of (1) the development / training. (2) modify /update management (3) investigation. The company secretary is serves as the complaints of corporate governance and business ethics of the company.
- 2.6 The Company has announced no gift or any other benefit (No Gift Policy) in all forms to reduce the risk that may arise from giving and receiving gifts and to create a good norm of work without expecting other benefits and to prevent corruption.



Independent directors - Complaints and suggestions can be sent to the following emails.

- 1 Mr.Sansern Wongcha-um Email : sansern.w@somboon.co.th or
- 2 Dr. Panja Senadisai Email : panja.sena@somboon.co.th or
- 3 Mr. Ajarin Sarasas Email : ajarin.s@somboon.co.th or
- 4 Mr. Paitoon Taveebhol Email : ptaveebhol@somboon.co.th or
- 5 Dr. Suthad Setboonsarnng Email : suthad.setboonsarnng@somboon.co.th or
- 6 Mr. Prayong Hirunyanich Email : prayongh@somboon.co.th or
- 7 The Company secretary Email : pasucha.s@somboon.co.th

Or by postal mail to the Company secretary -  
Somboon Advance Technology Pcl. Bldg. 11, Floor 2, No. 129 Moo 2,  
Bangna - Trad Road, Km. 15, Bangchalong Sub-district, Bangplee District,  
Samut Prakan 10540. Tel no. 02-080-8271



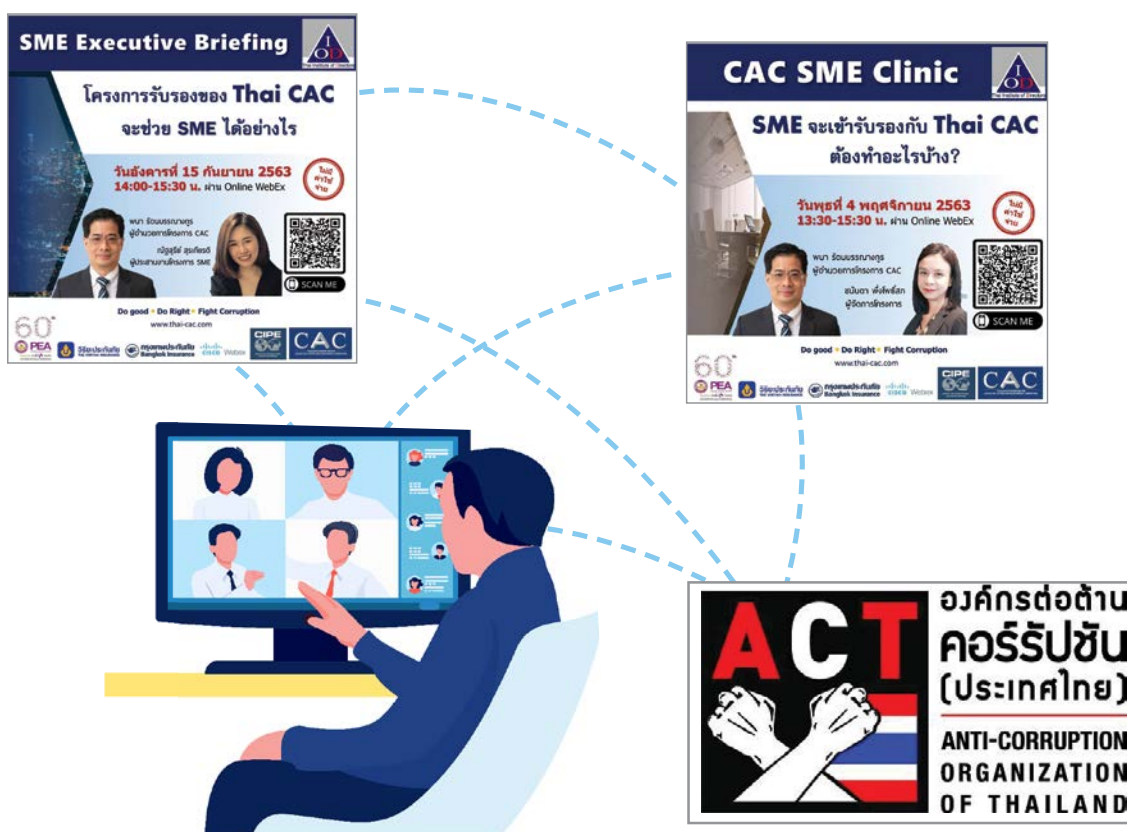
## Expansion Procedure of the SBG Collective Action Coalition against the Corruption

1. The company requests that all partners must sign a declaration of intent to anti corruption before doing business together.
2. In the year 2020, the Company set an anti-corruption plan and target. The Company set a target for trading partners to declare their intentions with CAC at 11 companies.
3. Although in 2020 until now, the situation of the coronavirus 2019 outbreak (COVID-19) continues to spread around the world. The Company still continues to promote knowledge to partners to expand the network of anti-corruption measures. The Company has been involved in encouraging supplier to become conscious and aware of the importance of anti-corruption and promoted to stakeholders in all sectors to be responsible for oneself and the society for sustainable growth together. The Supplier were invited to participate in training with CAC, the objective is to

- (1) have a transparent internal operating system;
- (2) have working standards accepted by large trade partners and foreign trade partners; and
- (3) reduce the risk of corruption.

The training seminar is in the form of online seminar via the WebEx system with CAC as follows:

- 1) On September 15, 2020, joined seminar issued “the SME Executive Briefing 2/2020” in the form of online seminar via WebEx system, with 7 suppliers participating.
  - 2) On November 4, 2020, joined seminar issued “SME Clinic 2/2020” in the form of online seminar via WebEx system, with 7 suppliers participating.
4. The Company invited suppliers to join a Declaration of Intent-Collective Action Coalition Against Corruption (CAC) in 2020. Suppliers have realized the importance and jointly a declaration of intent-Collective Action Coalition Against Corruption (CAC) with CAC at a total of 11 companies.





#### • Year 2010

- SAT Received the transparency award from the Office of Anti-Corruption Commission
- Participated in announcing its intention to prevent corruption



#### • Year 2012

- Revised the good corporate governance manual to be in line with the preventive corruption operation
- Provided trainings to directors and middle-level executives



#### • Year 2014

- The company has expanded the Anti-Corruption with the suppliers
- 11 companies declared their intention against corruption
- 9 companies passed the 71 Self-Assessment



#### • Year 2016

- SBG joints with CAC to support 88 suppliers to entering in the Declaration Intention Against Corruption
- SBG has provided training for 100 suppliers to register system in "One Accounting with One Transparency"
- SBG visited the partners who join the announcement of anti-corruption.
- Certified by CAC in the preventive corruption measures in 2nd year



#### Year 2011

- Provided trainings to the Board of Directors and top executives



#### Year 2013

- Certified by CAC in the preventive corruption measures
- Announced its participation in the Anti-Corruption coalition to partners
- Anti-corruption representative in Asia Pacific region PR. SBG 180 countries around the world



#### Year 2015

- The company has expanded the Anti-Corruption with the suppliers
- 67 companies declared their intention against corruption
- 41 companies passed the 71 Self-Assessment





### Year 2018

- To support suppliers to certified by CAC in the preventive corruption measures
- To train the supplier to understand the declaration of intent against corruption totally 36 companies and 7 suppliers aim to support with the knowledge of Anti-Corruption in order to prepare for Certified by CAC in the preventive corruption measures
- To send the SBG staff to provide Anti-Corruption system in order to get Certified by CAC in the preventive corruption measures
- SBG visited the partners who joined the announcement of anti-corruption

### Year 2020

- The situation of the coronavirus outbreak 2019 (COVID-19) continues to spread around the world. The Company still continues to promote knowledge to partners to expand the network of anti-corruption measures by training in the form of online seminar via the WebEx system as follows:
  1. On September 15, 2020, joined seminar issued "the SME Executive Briefing 2/2020" in the form of online seminar via WebEx system, with 7 suppliers participating.
  2. On November 4, 2020, joined seminar issued "SME Clinic 2/2020" in the form of online seminar via WebEx system, with 7 suppliers participating.
- Suppliers have realized the importance and jointly announced a Declaration of Intent-Collective Action Coalition Against Corruption (CAC) in 2020 with CAC at a total of 11 companies.

### Year 2021 – 2023

- Goal  
The 43 Suppliers with purchase amount up to 10 million Baht must announce the Declaration of Intent-Collective Action Coalition Against Corruption (CAC) with CAC.

### Year 2016

- The suppliers shall declare intention against corruption 100% (636 Company)
- SBG visited the partners who joined the announcement of anti-corruption

### Year 2019

- The company promotes and educates business partners to understand and recognize the importance of anti-corruption and inviting business partners to announce their intention to against corruption with CAC. There were 24 suppliers announcing their intention with CAC.
- Received the CAC Change Award from Thai Institute of Directors (IOD) by influencing more than 10 of the Company's SME business partners to announce their intention under CAC SME Certification project in one year.
- Received a certification as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) which is the Company's 3rd renewal of the certification.



# Business Operations with Fairness

The Board of Directors has conducted with policy to treat customers, creditors, suppliers and competitors equally and fairly with honesty. According to the determination to operate business with integrity, fairness, transparency, performing business in compliance with law and regulation, and respect the right of intellectual property, promotion of political right and concern the benefit and effect from business to all stakeholders along with oversee the operation in safety, occupational health and working environment to not affect to all stakeholders as well as strengthening local community and society in the long term to be successful in sustainable development.

## 1. Fair Competition

To strictly comply with the conditions agreed with the customer or the creditor under the best benefit to the Company, according to the fair agreements in line with the commitment of business operation.

### Operating guideline

- (1) To specify the terms and conditions in the purchase and sale agreement and strictly comply with the conditions, in the case, the Company shall not comply such terms and conditions, the Company must promptly notify the customer to mutually solve problems.
- (2) To give correct information and recommendation, sufficient and up-to-date to the customers to know about the goods and service.
- (3) To deliver quality products consistent with the agreement of customers in a fair price. The Company shall not conduct business to have excessive profit.
- (4) To set system/process for the customer claim for quality, quantity, product safety and service including the speed time to delivery product and do the best way to improve customer response.
- (5) To support the customer to perform business with the corporate social responsibility
- (6) To determine to develop in manufacturing process, packaging and transportation with environment friendly

### Operation in 2020

The Company has visited customers every month and participate in the discussion about product and service development that will meet to customers' need; the Company also gives advices on how to use its products for ultimate effectiveness. However, under the spread of COVID-19,

the Company and the customer has still arranged the activity plan and join the activity together for the product improvement, safety, the risk management, environment, and social responsibility. Then, the Company can apply the knowledge to improve the production process, quality improvement and risk management.

## 2. To promote the social responsibility in supplier:

- To promote the work of social responsibility of the seller and give an opportunity for the seller to participate in CSR activities of the Company continuously both directly and indirectly. The direct way is through labor volunteer or the indirect way is to support with property or thing according to the ability and intent of the seller.
- To inspect the connection and relationship between employees in every level with sellers, subcontractor, contractor of the company continuously in order to prevent unfairness and inequality in the business operation between sellers, sub-employees, each subcontractor of the company.
- To notify and request cooperation and inspect the fairness in the employment and the work operation according to the labor law of the Seller, subcontractor, contractor who is the supplier of the Company whether they have fairness and comply with the law continuously or not.

### Operating guideline

- (1) To specify measures on social responsibility and environment in the policy and operating practice in purchasing and procurement
- (2) To promote the supplier to accept and apply in the similar policy that does not cause unfair competition.
- (3) To promote the implementation of the social responsibility of the supplier and give an opportunity for the supplier to participate in CSR activities of the Company.

### Operation in 2020

The Company requires that the executives and employees must report on the conflict of interest and the relevant persons and in 2020, the Company provides "Guideline of Supplier Code of Conduct of the companies in Somboon Group" to consider the detail and scope within terms, condition and relating law and push the suppliers of the companies in Somboon Group for work ethic, social responsibility, monitoring in the occupational health and safety including focus on the environment management to be sustainable.

Due to the amid the COVID-19 crisis affected all businesses suffering from a liquidity crunch, the Company pay attention to mitigate the liquidity problem for the suppliers therefore, the Company has joint the FTI Faster Payment project of the Federation of Thai Industries (FTI) by reducing credit terms to 30 days from October 1- December 31, 2020.



### 3. Respect in the property right

To promote and strictly comply with the right of property, copyright, patent, and moral.

#### Operating guideline

- (1) To specify the Code of Conduct and Work Rules in section of supplier and/or creditor treatment.
- (2) To promote executives, employees to use resource and property of the Company efficiently in order to increase the competition customers, to use products and service with legal intellectual property. The Company does not support products or action that has infringement of intellectual property.
- (3) All employees have obligation under the duty of confidentiality not to disclose any intellectual property of the company and shall not use any intellectual property for personal or other person interest without prior written permission.
- (4) All employees shall respect to other intellectual properties and shall not use any part or in whole of other intellectual properties without prior written permission.

#### Operation in 2020

The Company is determined to protect the intellectual properties of the Company from violated and illegally used without permission. The Company also respects intellectual properties of others specified in Codes of Conduct and Work Rules.

### 4. To be related in politics with responsibility

The Company has operated the business with no political bias and the Company will not participate and get involved in any political party or any people with political power and not use the fund or resource of the company to support directly or indirectly to any political party or politicians. Executives and personnel are not allowed to use the power to manipulate, threaten and force.

#### Operating guideline

- (1) To have campaign and promote employee to have knowledge through communication channel such as weekly news, radio broadcast, etc.
- (2) To give and opportunity for employee to use political right independently without persuasion and domination.

#### Operation in 2020

The Company promotes knowledge of political rights and gives an opportunity for employees to independently use the political right without threatening, inducing and participating in any way.

## Respect for Human Rights

The Board of Directors has concentrated on the main policy to operate business to be sustainability in respect of the human rights and the dignity of human of all employee which is the foundation of the operation with quality and value.

The Company realizes that employees are an important factor to produce the quality products. Therefore, the Company has emphasized on fair treatment in the opportunities, remuneration, appointments and transfers as well as development in capacity and morals to employees. So, they will be competent and good citizen. For example, the Company provides the fair employment, appropriate wage comparing with the capacities, safety environment, property and good sanitation and to improve their capacities and always be informed of the Company's news and updates.

### Operating guideline

- (1) The Company has the measurement protection to employee who give information to the government in case there is an illegal action or to violate the Security and Exchange Act to protect for unfair treat whether to change the work position, work characteristics, work place, work suspension, threat, disturb the work operation, employment termination (section 89/2) caused by notifying such clue on illegal action or ethical offense.
- (2) To specify the policy for the Companies in Somboon Group not to conduct business with other companies that does not concern the human right especially the violation of basic rights on race, women, children, and disabled people.
- (3) To specify to arrange the risk assessment which violate the law on human rights at least twice a year.
- (4) To specify to evaluate from Internal Audit Department as main process in the evaluation every year and report to the Board of Directors.
- (5) To give an opportunity for all employee and stakeholders to give comments through Email to the independent directors or the Company Secretary.
- (6) There is communication channel for employees or stakeholders to acknowledge the progress of their notification.

- 7) To create the provident fund for employee as of 1 January, 2004

The Company has strictly complied with the laws, rules and regulations. The Company provides fair and equal opportunities for employees to file complaints or freely express their opinions that may lead to be sustainable development and management.

## Fair Treatment to labor

The Board of Directors has concentrated on the fair treatment to employees as well as to respect individual and human dignity according to international human right standard and a good ethic to lead to the peace in society and sustainability.

### 1. To respect the right of work according to human rights :

Without the employment discrimination, force to work, to use child labor but to respect the right and freedom of employee.

#### Operating guideline

- (1) To specify the policy not to discriminate and to fairly give the opportunity not limited to race, color, gender, religion, nationality, background, political opinion, age or disability as a factor in the consideration and decision of the employment.
- (2) To monitor on the employee development in order to train and increase potential by giving the opportunity for all employee to learn regularly.
- (3) To arrange the channel for employee to complaint for unfair treatment or to notify any illegal action and to set correction measurement and protection measure which is systematic and fair for notifying employee.

### 2. To give the social protection and work condition of employee :

by specifying fair work condition, remuneration and other welfares that is appropriate according to the law by avoiding unfair action that would affect stability of employee's position or to threaten and create the pressure to the employee's mental.

## Operating Guideline

- (1) To promote employee with good quality of life both work position and family
- (2) To set fair employment conditions and suitable remuneration according to the potential in a form of salary, bonus, welfare, provident fund and other remunerations.
- (3) To appoint, relocate, give award and punish the employee with honesty based on the foundation of knowledge and ability and suitability of employees
- (4) To specify policy to strictly comply with the law, rules and regulation related to the employee.
- (5) To give the opportunity for employee to participate as the Welfare Committee in order to give the information on the work operation and status of the Company regularly acknowledged by the employee.
- (6) To specify the protection measurement for the employee to employee who give information to the government in case there is an illegal action or to violate the Security and Exchange Act by notifying such illegal action.



## 3. To provide health protection and safety at work

to take care of environment and arrange work in g system for employees in order to have safety in life and property including good health.

### Operating Guideline

- (1) To develop the safety and occupational health policies at the workplace.
- (2) To analyze and seek for a measure to control safety risk, health risk as well as to provide the pollution protection system which would occur during working and a clean workplace
- (3) To educate employees about the regulation on the safety practices at work in order to ensure that employees understand and comply with such regulation correctly.
- (4) To provide safety equipment and personal safety protection needed for employees.
- (5) To evaluate the risk of safety and occupational health at work.
- (6) To allow employees to participate in safety management systems, occupational health and environment as well as to respect the rights of employees.

The operation in 2020 and operation plan of 2021 (as detail specified in the Sustainability Report).

**ความปลอดภัยในการใช้ปั้นจั่น (Overhead Crane)**

**Objective:**

1. เพื่อให้ผู้ใช้งานทราบถึงวิธีการใช้ปั้นจั่นอย่างถูกต้องและปลอดภัย
2. เพื่อให้ผู้ใช้งานทราบถึงวิธีการตรวจเช็คและบำรุงรักษาปั้นจั่นอย่างถูกต้อง
3. เพื่อเป็นการปฏิบัติตามกฎหมายและข้อกำหนดให้ครบถ้วน

**Course Outline:**

- กฎหมายที่เกี่ยวข้องกับ Overhead Crane
- ส่วนประกอบของ Overhead Crane 2 ประเภทและสัญลักษณ์
- วิธีการใช้ Overhead Crane อย่างปลอดภัย
- วิธีการตรวจสอบและบำรุงรักษา Overhead Crane
- การให้สัญญาณมือ วิธีการฉุกเฉินและข้อควรระวัง

**วิทยากร:** คุณพิรุณ แสงเพชร  
Maintenance Engineering Crane Inspector, Trainer (CIC)  
COP Activity Trainer (Trainer)

**วันที่ 13 - 14 ต.ค. 63**  
**เวลา 09.00 - 16.00 น.**  
**@ ห้องประชุมหมายเลข 5 (SLA)**

สำหรับพนักงานหรือหัวหน้างานที่มีหน้าที่เกี่ยวข้อง  
ซึ่งจำเป็นต้องใช้ปั้นจั่นในการทำงานตามแผนงานที่กำหนด

หมายเหตุ : ไม่เสียค่าธรรมเนียมในการเข้าเรียน สำหรับพนักงานและหัวหน้างาน

ผู้รับผิดชอบหลักสูตร : คุณวิภากร ฝ่ายฝึกอบรมทรัพยากรบุคคล โทร. 0025 / Email : vichai.k@somboonadvance.com.th

**ความปลอดภัยในการขับขี่รถยกโฟล์คลิฟท์**

**วันที่ 5 ตุลาคม 2563 เวลา 09.00 - 16.00 น.**  
**ณ ห้องประชุมหมายเลข 5 SLA**

**วิทยากร:** คุณเดวิด โกลด์สไตน์, ผู้จัดการฝ่ายฝึกอบรม

**วัตถุประสงค์**

1. เพื่อให้ผู้ใช้งานและหัวหน้างานผู้เกี่ยวข้องทราบถึงความปลอดภัย
2. เพื่อให้ผู้ใช้งานมีความรู้ในการตรวจสอบและบำรุงรักษารถยกได้อย่างถูกต้อง
3. เพื่อเป็นการปฏิบัติตามกฎหมายในการใช้รถยก

**Course Outline:**

1. ความรู้ทั่วไปเกี่ยวกับรถยกโฟล์คลิฟท์
2. สาเหตุและการป้องกันอุบัติเหตุ
3. การขับรถยกโฟล์คลิฟท์อย่างถูกต้องและปลอดภัย
4. การบำรุงรักษาประจำวันและตามระยะเวลา
5. ฝึกปฏิบัติในการขับรถยกโฟล์คลิฟท์

**กลุ่มเป้าหมาย:** พนักงานที่มีหน้าที่เกี่ยวข้อง **รับไม่เกิน 15 คน**

ผู้รับผิดชอบหลักสูตร : คุณวิภากร ฝ่ายฝึกอบรมทรัพยากรบุคคล โทร. 0025

## Responsibility to Consumers

The Board of Directors has consistently complied with the principle and the policy to meet the custom ersatz is faction who buy the products and receive direct service from the Company including the consumers to ensure not only receiving the goods and service with fair price and the best quality but also the company has been aware of safety that would affect society and environment and any action that would violate or impact the consumers' right.

### Operation Guideline

- (1) To respect the right of basic consumer's need
- (2) To protect the consumers' safety
- (3) Do not limit the information to the consumers
- (4) To respect the consumer right to choose
- (5) To respect the consumer right in express in go pinions
- (6) To respect the right to be compensated for the consumer
- (7) To protect the consumer rights to study in formation
- (8) To give the right under healthy environment

The operation in 2020 and operation plan of 2021 (as detail specified in the Sustainability Report).

## Community and Society Development

The Company has encouraged the community and society to live happily together by emphasizing on providing educational and professional opportunities to youth and underprivileged people, especially occupational education that will make them able to depend on themselves. Moreover, the Company aims to work with community and support activities for communities both in the neighborhood and in remote area according to the Company's policy and the government direction in community development to sustainably improve quality of life and economy or community.

### Operation Guideline

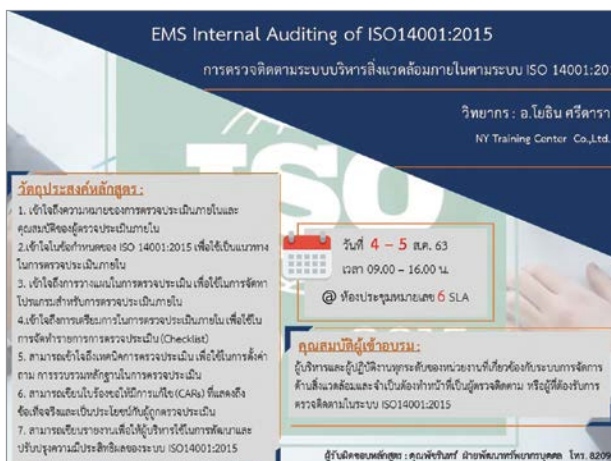
- (1) To create a participation of community to corporate social responsibility service for society
- (2) To create opportunity for art, cultural, and morality education
- (3) To create an occupation and income for community
- (4) To develop quality of life and skill development

The operation in 2020 and operation plan of 2021 (as detail specified in the Sustainability Report).



## Resource Management and Energy

The overall of operation for the resource management in the past year, the Company has achieved target under the law and the environmental management system ISO 14001:2015 continuously certified. The Company encourages all levels of employees to participate in the environment activities through 5 S or activities and Big Cleaning Day in order to create the customer satisfaction and visitor. With regards to production process, the Company focuses to control maximum resource consumption as well as the control and treatment measures and environmental quality assessment inside the plant and in the community area to ensure that the Company's operation is environmentally friendly and consistently improved according to the following operation guidelines.



### Operation Guideline

- (1) To develop and seek information to manage and prevent pollutions
- (2) To be awareness for the sustainable use of resources
- (3) To promote the execution for energy conservation and continuously to reduce global warming
- (4) To teach employee to ensure their knowledge and information about environment and corporate social responsibility.

The operation in 2020 and operation plan of 2021 (as detail specified in the Sustainability Report).



## Research and Development of the Operation of Corporate Social Responsibility

The Board of Directors' vision in 2020 is "Strive for sustainable growth in automotive industry through advanced technology and partnership." The vision will lead to create value added for the organization in the long term. Also it will lead to development of new knowledge that can change idea in production process, working process to be progressive and to control maximum resource consumption under appropriate cost so that the Company can increase its competitive ability.

The operation in 2020 and operation plan of 2021 (as detail specified in the Sustainability Report).

## To Provide the Sustainability Report

Company has provided the Sustainability Report according to the frame Global Reporting Initiative (GRI) to public and stakeholders separating from the Annual Report since 2013 as assigned the Nomination and Remuneration Committee to have duty, scope, and responsibility. (Authorization Scope of the Nomination and Remuneration Committee.



## Industrial Conditions and Competition

In 2020, car production was at 1,427,074 units, decreasing 29% from 2019, divided into 792,146 domestic sales, 21% lower than the previous year, and export 742,301 units, decreasing from the previous year by 30%. For the first target at the beginning of 2020, the Automotive Industry under the Federation of Thai Industries (FTI) announced a total vehicle production target of 2.0 million units, a decrease of 0.68% from 2019, divided into 1 million units for export and 1 million domestic sales, as the concerns remain on the trade war, the strong baht currency, as well as the conflicts between countries in some regions.

### Vehicle Production in Thailand

| Year | Passenger Car (unit) | Pickup truck (unit) | Commercial vehicle (unit) | Total Commercial Vehicle (unit) | Total (unit) | Growth (%) |
|------|----------------------|---------------------|---------------------------|---------------------------------|--------------|------------|
| 2556 | 1,069,786            | 1,331,693           | 52,439                    | 1,384,132                       | 2,453,918    | 0.01       |
| 2557 | 742,678              | 1,114,778           | 22,551                    | 1,137,329                       | 1,880,007    | -23.39     |
| 2558 | 760,688              | 1,115,818           | 36,496                    | 1,152,314                       | 1,913,002    | 1.76       |
| 2559 | 805,033              | 1,102,816           | 36,568                    | 1,139,384                       | 1,944,417    | 1.64       |
| 2560 | 818,440              | 1,130,058           | 40,325                    | 1,170,383                       | 1,988,823    | 2.28       |
| 2561 | 877,015              | 1,250,483           | 40,196                    | 1,290,679                       | 2,167,694    | 8.99       |
| 2562 | 796,304              | 1,176,976           | 40,430                    | 1,217,406                       | 2,013,710    | -7.10      |
| 2563 | 537,633              | 861,553             | 27,888                    | 889,441                         | 1,427,074    | -29.13     |

Source: Thai Automotive Industry Association (TAIA)

From the situations of the COVID-19 epidemic since the end of the first quarter of 2020 that affected all sectors, especially at the start of the epidemic, almost every country in the world, including Thailand, has taken protection measures such as lockdowns. As a result, the automotive and parts industry has been adversely affected by the slowing down in production, and has been unable to launch production at full capacity, including the difficulty to supply parts for car assembly. The second quarter has maximum impact, where the production fell down 60% compared to 2019, but by the end of the third quarter the trend of domestic infections started to decline, the consumer demand began to return, and automotive manufacturing and assembly plants were able to resume operations under the strict disease prevention measures. Consequently, the overall picture in 2020 for the production was at 1.43 million units, down from the target of 2 million units and 29% decrease from 2019. The agricultural machinery industry was also affected. This is another business sector that the company has provided parts for the assembly of tractors and combine harvesters. However, the main market for product delivery remains the domestic market. Since the demand for agricultural products has not decreased, there is still a demand for agricultural machinery. The impact is therefore less than the automotive industry. Nevertheless, it is important to observe business adaptation. The Company must plan in place to accommodate the changing behaviors of consumers and prepare for COVID-19 situations that we continue to face until we are able to resume back to a normal lifestyle.

## Expense on research and technological development in accordance with the guidelines of National Science and Technology Development Agency (NSTDA)

In 2020, the Company had an expense in research and technological development at the total amount of 30 Million Baht, in which the research and technological development can be categorized as follows;

**1. Applied research** is the study and research into findings of new knowledge with primary objectives or purposes to put the research results into beneficial use in any one of the practices or in order to identify new methods of achieving the pre-specified objectives such as the application of 3-D printing for high value spare part of production machine, Experimental study for stainless steel casting, as an example ,Study for making Tractor Implements, including Forage Harvester for Napier, Square Balers & Rotary Tiller.

**2.Experimental development** is a systematic study by bringing the existing knowledge to develop further, creating new raw materials, tools, wares, production processes, systems and services or improvement of the existing products or production processes such as the experiment and development of Multi-steps Forging process for axle shaft, the experiment and development of testing and control of NVH within  $\pm 3\%$  for disc brakes, the development of rotary blade & Sugar cane cutting blades for agricultural machineries, the improvement of the quality of carbon sheet from other manufacturers, who are not from Japan, in order to reduce raw material cost & As an additional reserve Raw Material Suppliers for produce forging part , for example. However, experimental development does not include the regular changes according to the duration of the products, production system, production process, services or other operations that are underway although this change would lead to a progress.

# Enterprise Risk Management

Somboon Group continually develops enterprise risk management by focusing on developing the system to support the dynamic economic and changes in industrial conditions from emerging risks that are more complex and uncertain. The development of a risk management system is one of the most important aspects of business for the company to have good corporate governance and build confidence among stakeholders to ensure her readiness for uncertainty that will affect the company's performance and sustainability. With this, Somboon Group continues to meet the needs of stakeholders adhering to Philosophy "Somboon Triple Bottom Line." In 2020, the global faced the COVID-19 situation that has resulted in the economic recession and the automotive industry's production to decline to the lowest level in more than 20 years. Somboon Group has developed a Business Continuity Plan and measures to reduce its risk of outbreak in the company. Moreover, Somboon group has shared its practices with the private sector to serve as guidelines for joint prevention of the COVID-19 outbreak. With this, Enterprise Risk Management is crucial in responding to the Sustainability Development Goals in cooperating with the Alliance for Sustainable Development.

Somboon Group has adopted an international standard for risk management system (COSO) as a corporate governance tool to enable effective implementation of corporate strategies and achieve organizational objectives in the midst of rapid business environment changes. Somboon group also responds appropriately to the expectations of all stakeholders. Somboon Group has defined an enterprise risk management policy to guide the practice throughout the organization and provide a clear direction for risk management consistent with business strategy and goals

within the framework of good corporate governance. The risk management structure of Somboon Group consists of:

## 1. The Policy Risk Management Committee (BoD)

is responsible for defining the risk policy and approving the Risk Appetite, overseeing the implementation of the organization's risk management policies and strategies, and defining the risk management structure. The BoD appoints an enterprise risk management committee and follow up on the performance of the Enterprise Risk Management Committee.

## 2. The Enterprise Risk Management Committee (ERM)

is responsible for defining the enterprise risk management strategy and the risk appetite to propose to the Policy Risk Management Committee for consideration. ERM also defines processes and measures for enterprise risk management and follow up on risk review and reporting to the Audit and Corporate Governance Committee including the appointment of a functional risk management working group as appropriate.

## 3. The Functional Risk Management Committee (FRM)

is responsible for identifying risks, assessing risks, preparing a risk treatment plan, and determining the responsible person. Also, FRM has its role in monitoring and reporting on functional risk management results to align with the Company's policy.

## 4. The Audit Committee

is responsible for reviewing the risk management.

**The Policy Risk Management  
Committee (BOD)**

**The Enterprise Risk Management  
Committee (ERM)**

**The Functional Risk  
Management Committee (FRM)**

**The Audit Committee**



## Management Guidelines

Risk management is a key component of good corporate governance to achieve defined organizational objectives. The risk management process of Somboon Group focuses on implementing the corporate strategy to respond effectively to the business environment changes and meet all stakeholders' expectations, including customers, employees, and suppliers, which lead to business development and sustainability organization management. Including help add value to the organization and reduce the uncertainty in profitability and operation.

In 2020, Somboon Group analyzed and identified the organization's risks based on internal and external factors. Along with preparing a risk treatment plan and monitoring regularly. The details of risk management are summarized in the following table:

| Risks                                                                                                                                          | Impacts                                                                                          | Risk treatment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1 Strategic perspective</b><br>The risk that the company will lose sales and profit from changes in the business environment.               | The uncertainty of the performance of Somboon Group.                                             | <ul style="list-style-type: none"> <li>• Monitor changes in external and internal factors to assess sales and consider an important decision.</li> <li>• Review business plan in the short and long term to align with goals and strategic direction.</li> <li>• Improve of production processes and costs with technology and automation to meet customer needs.</li> <li>• Manage customer relations and develop cooperation with the Supply chain.</li> <li>• Annual review of the company's goals and strategic plans.</li> </ul>                     |
| The risk that the company will not be able to develop business partnership required by her strategy.                                           | The uncertainty of revenue and business growth of Somboon Group.                                 | <ul style="list-style-type: none"> <li>• Study opportunities, demand, and market of a target product.</li> <li>• Plan to develop a collaboration with key business partners.</li> <li>• Focus on the ability to create value for business partners.</li> </ul>                                                                                                                                                                                                                                                                                            |
| <b>2 Operations perspective</b><br>The risks related to human resource management and competency development to support organizational growth. | A continuous succession of key positions in the organization.                                    | <ul style="list-style-type: none"> <li>• Planning and scheduling need personnel in key positions of the organization over the next 5 years.</li> <li>• Recruiting and selecting highly talented personnel from both inside and outside the organization.</li> <li>• Plan to develop the organization's competencies and skills in key positions and prepare personnel for succession planning.</li> <li>• Build a network with educational institutions and external organizations to attract highly knowledgeable people to join the company.</li> </ul> |
| The risks associated with changes in climate, environment, natural disasters, and epidemics.                                                   | Disruption of supply chains and business operations of Somboon Group.                            | <ul style="list-style-type: none"> <li>• Analyze the value chain and determine the key processes to formulate a strategy for risk management.</li> <li>• Review and prepare an emergency plan support in the event of an emergency or crisis.</li> <li>• Review and prepare a business continuity plan (BCP), define the responsibilities, and conduct drills regularly.</li> <li>• Manage supply chain continuity both in finance and important resources to respond to customer changes promptly.</li> </ul>                                            |
| <b>3 Finance perspective</b><br>The risk from exchange rates.                                                                                  | Uncertainty of revenues and expenses of Somboon Group.                                           | <ul style="list-style-type: none"> <li>• Track and analyze exchange rate trends and forecast the value of upcoming transactions.</li> <li>• Manage risk by making forward exchange contracts and managing income and expenditures in foreign currencies to be consistent (Natural Hedge).</li> <li>• Review and manage customer contracts.</li> </ul>                                                                                                                                                                                                     |
| <b>4 Compliance perspective</b><br>The risk from changes in laws, regulations, and law enforcement related to the industry.                    | Damage to the company's reputation, penalties, and fines from government agencies or industrial. | <ul style="list-style-type: none"> <li>• Study and review regulations relating to the business regularly or when there are significant changes.</li> <li>• Develop a regulatory framework and important policies to support legal changes.</li> <li>• Appoint a working group to take action as necessary.</li> </ul>                                                                                                                                                                                                                                     |

## Emerging Risk

A worldwide pandemic of COVID-19, including Thailand, implies a significant new risk to employees' health and safety and the company's overall performance. According to this situation, the company has a duty to protect employees from the COVID-19 and adapt to support changes in production and demand volatility, including the disruption of the automotive industry supply chain. The company has appointed a continuity management committee to make decisions and take action on this emergency promptly.



## Risk Culture

An effective risk management system is an essential tool for corporate governance to achieve organizational objectives. The creation of corporate risk culture is a key component to the success of risk management.

The Board of Directors and the Executives of Somboon Group emphasize participation and implementation of the risk management framework by using as a tool for defining strategy and risks in achieving its target. This would enhance the quality of decision making and promote a good risk culture. There are ways to create a risk culture as follows:

- All employees have a duty and responsibility to working as the principle of risk management.
- Define a clear and easy-to-understand risk management framework and policy to enable management and all employees to understand and use the same language of risk and have a common purpose in risk management.
- Communicate the link between risk management and corporate strategy and understand all employees of their responsibility for the risk management process to be accepted into the process leading to success in the development of risk management.
- Provide training to all executives and employees to understand the risk management framework, responsibility for risk, and communicating risk information.

# Major Changes and Developments in Past 3 Years

## June 2020

1. The Company and Shenyang Siasun Robot & Automation Co., Ltd. established the Joint Venture Company named Somboon Siasun Tech Co., Ltd. to provide the full system integration services by focusing on automotive and automotive parts, agriculture machinery and machinery industry in Thailand.
2. **SAT1-2** received the Certificate of Honor in zero accident campaign 2020 – bronze level from Ministry of Labor

## September 2020

1. Awards from Ministry of Labor:
  - **SAT1, SBM1-2** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 15 consecutive years.
  - **SAT2** received the 2020 Thailand Labor Management Excellence Awards on employee relations and benefits at a national level.
  - **SBM2** received the 2020 National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for the third years.
  - **SBM3** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 10 consecutive years.
  - **ICP1** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 10 consecutive years.
  - **ICP2** received the Thailand Labor Management Excellence Awards on employee relations and benefits, for 5 consecutive years.
2. Rewards from Department of Labor Protection and Welfare
  - **SBM3** received the certificate on drug management system in workplace - the 1<sup>st</sup> level under the white factory project.
  - **ICP1-2** received certification on drug management system in workplace - the 3<sup>rd</sup> level under the white factory project.
3. **SAT2** received the certificate of the Standard on Prevention and Solution to Drug Problems in the Establishment from Rayong Province.
4. **SBM3, ICP1-2** received the certificate of green industry (Green System) – Level 3 from Ministry of Industry.

## August 2020

**SAT** received the 2020 Role model of Ethical Corporation Award from Project to drive a moral organization.

## November 2020

**SAT1-2, SBM3** received CSR-DIW Continuous Awards 2020 from Ministry of Industry.

## December 2020

1. **SAT** received awards from the Stock Exchange of Thailand (SET) together with Money and Banking Magazine:
  - Thailand Sustainability Investment (THSI)
  - SET Award of Honor - Excellence in Investor Relations 2017-2020
2. **SAT** received award for the 2020 best organization to support disabled persons from the Ministry of Social Development and Human Security.
3. **SFT** received Amata Best Waste Awards 2020 (Platinum Level (P1) from Amata City Rayong, Industrial Estate.

## Awards from Customers and external organizations for 2020

- QCD Awards - SILVER: KUBOTA (SAT1)
- The 3rd Safety Activity 2020 (Level A): THAI HINO CO-OPERATION CLUB (SFT)
- Thailand Kaizen Award 2020 (Bronze award): Technology Promotion Association (Thailand-Japan) (SBM3)

## Year of 2020





# Year of 2019

## January 2020

Rewards from Amata City Industrial Estate

- **ICP1** received Amata Best Wastes Management Award 2019 in gold level.
- **SBM3** received Amata Best Wastes Management Award 2019 in platinum level.

## September 2019

1. Bangkok Spring Industrial Company Limited made the investment in Nippon Kikai Engineering Company Limited with a total investment value of Baht 69,974,100 as 50.99 percent of total issued shares.
2. Rewards from Ministry of Labor:
  - **SAT1-2, SBM1-3, ICP1-2** received Thailand Labor Management Excellence Awards on employee relations and benefits.
  - **SAT1** received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 2 consecutive years.
  - **SBM1** received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 4 consecutive years.
  - **SBM2** received the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment (gold level) for 2 consecutive years.
  - **SBM2** received the Certificate of Honor for Safety, Occupational Health and Working Environment Management (gold level).
3. **SAT1-2, SBM3** received CSR-DIW Continuous Awards 2019 from Department of Industrial Works, Ministry of Industry.
4. **SAT1** received the Certificate of Honor for the Project Partnership School Project 100% from Ministry of Education.
5. **SAT1** received Awards praise to the sector supporting to the employment for persons with disabilities.

## December 2019

**SAT2** received the Standard on Prevention and Solution to Drug Problems in an Establishment from Department of Labor Protection and Welfare.

## July 2019

Rewards from Ministry of Labor:

**SAT1** received Certificate of Honor in bronze level at the first year 1,301,426 hours by reducing zero accident from work.

**SAT2** received Certificate of Honor in elementary level at the first year 958,336 hours by reducing zero accident from work.

## October 2019

1. Ms. Napatsorn Kitaphanich, the President, received Outstanding ASEAN Women Entrepreneurs Awards 2019 from ASEAN Women Entrepreneurs Network: AWEN.
2. CAC Change Agent Award, to persuade SME business partners to declare their intention under CAC SME Certification Project more than 10 companies from the Thai Institute of Directors Association.

## November 2019

1. **SAT** received Awards from the Stock Exchange of Thailand (SET)
  - Sustainability Awards of Honor, Third Year
  - Thailand Sustainability Investment (THSI)
  - SET Award of Honor-Excellence in Investor Relations 2017-2019
2. To renew the third term of the Certificate to certify member status of Thailand's Private Sector Collective Action Coalition Against Corruption: CAC

## Awards from Customers and external organizations for 2019

- The first runner-up Group A: MCC QCC Activity 2019: MITSUBISHI (**SAT1**)
- The third runner-up Group B: THCC QCC Activity 2019: HINO (**SAT2**)
- Winner Group 4: THCC QA Improvement Activity 2019: HINO (**SFT**)
- Winner Group D: THCC QCC Activity 2019: HINO (**SFT**)
- The Best Kaizen: KUBOTA (**SBM3**)
- Certificate of Honor KUBOTA Green Procurement 2019: KUBOTA (**SAT1**)

## April 2018

Disclosure the information of amendment of the Articles of Association and directors changing

## October 2018

**SAT** received SD Awards 2018 from the Stock Exchange of Thailand (SET)

- Sustainability Awards of Honor
- Thailand Sustainability Investment (THSI)

## November 2018

**SAT** received SET Awards 2018 from the Stock Exchange of Thailand (SET)

- Best Investor Relations Awards

## December 2018

**SAT** received the Outstanding Disabled Support Organization From the Ministry of Social Development and Human Security

## August 2018

1. Rewards from Department of Labor Protection and Welfare
  - **SAT2** received the Thailand Labor Management Excellence Awards on employee relations and benefits, small size establishment without labor union, for the first year.
  - **SAT1, SBM1-2** received the Thailand Labor Management Excellence Awards on employee relations and benefits, medium size establishment without labor union, for 13 consecutive years.
  - **SBM3** received the Thailand Labor Management Excellence Awards on employee relations and benefits, medium size establishment without labor union, for 10 consecutive years.
  - **ICP1** received the Thailand Labor Management Excellence Awards on employee relations and benefits, small size establishment without labor union, for 9 consecutive years.
  - **ICP2** received the Thailand Labor Management Excellence Awards on employee relations and benefits, small size establishment without labor union, for 7 consecutive years.
  - **SAT, SBM2, ICP1** has been awarded the National Outstanding Prototype Enterprise for Safety, Occupational Health and Working Environment.
2. **SAT, SBM3** received the CSR-DIW Continuous Award 2018 from Department of Industrial Works, Ministry of Industry.

## Awards from Customers and external organizations for 2018

- Winner Group B : MCC QCC: MITSUBISHI (**SAT1**)
- Silver Award Group B : THCC QCC: HINO (**SAT2**)
- Winner TCC HRD: TOYOTA(**SBM3**)
- Silver Award Kubota Kaizen : KUBOTA (**SBM3**)
- Silver Award QCC Activity: HONDA (**SBM3**)
- Winner Group E : THCC QCC : HINO (**SFT**)
- Silver Award Gemba Kaizen: Technology Promotion Association (Thailand-Japan) (**SBM1, SBM3**)

## Year of 2018



## Major Shareholders

The first top 10 major shareholders of the Company as of March 4, 2021 are as follows:

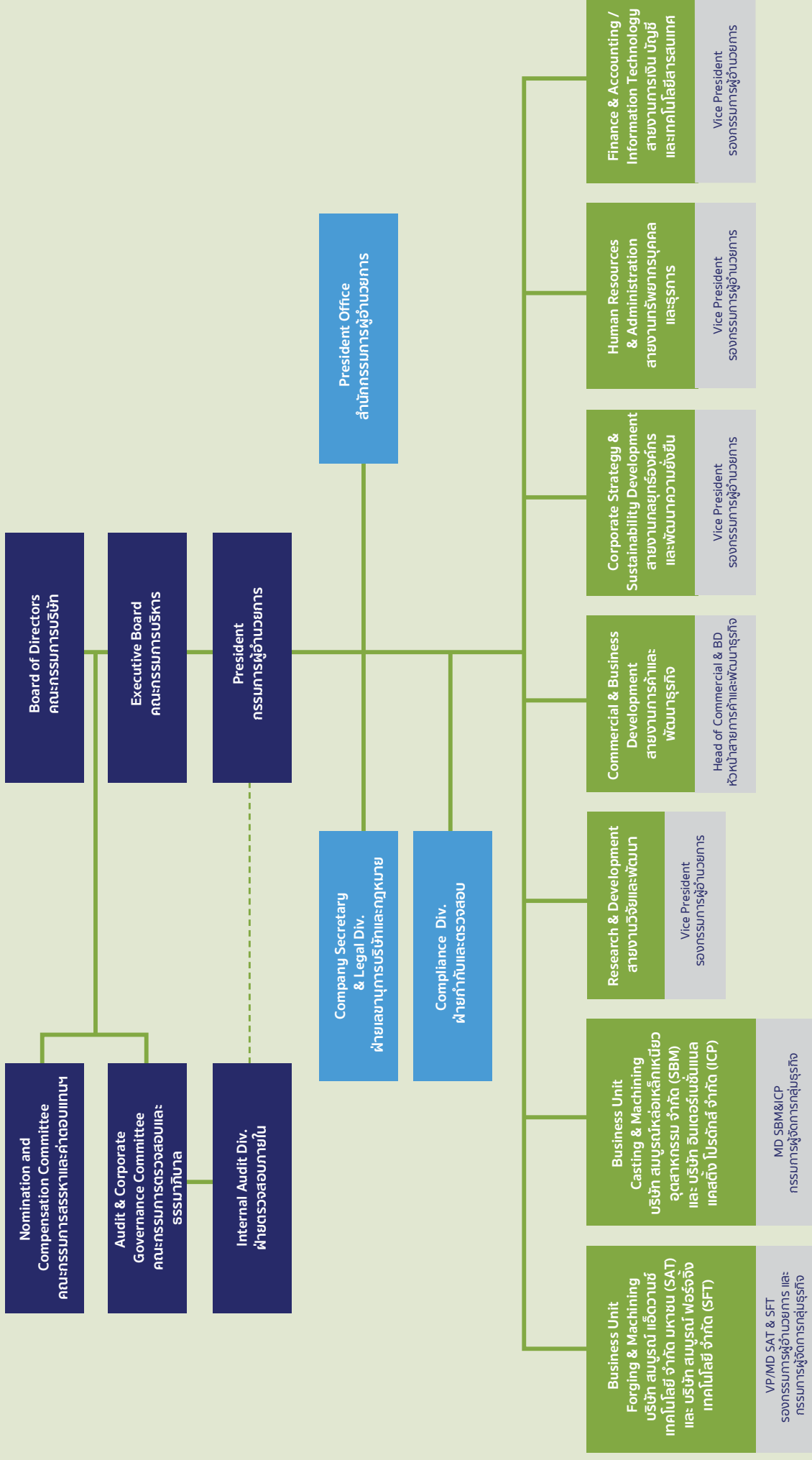
|     | List of Shareholders                                                                                             | No. of Shares | Percentage |
|-----|------------------------------------------------------------------------------------------------------------------|---------------|------------|
| 1.  | SOMBOON HOLDING COMPANY LIMITED                                                                                  | 127,502,750   | 29.92      |
| 2.  | KITAPHANICH FAMILY                                                                                               | 57,801,037    | 13.59      |
| 3.  | THAI NVDR COMPANY LIMITED                                                                                        | 32,892,761    | 7.74       |
| 4.  | BBHISL NOMINEES LIMITED                                                                                          | 16,904,400    | 3.98       |
| 5.  | NORTRUST NOMINEES LTD-CL AC                                                                                      | 15,377,030    | 3.62       |
| 6.  | Mr. KENNETH RUDY KAMON                                                                                           | 14,155,435    | 3.33       |
| 7.  | AIA COMPANY LIMITED-EQDP-D FUND 1                                                                                | 7,170,500     | 1.69       |
| 8.  | SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED                                                                     | 5,603,544     | 1.32       |
| 9.  | NORTRUST NOMINEES LIMITED-THE NORTHERN TRUST COMPANY RE<br>IEDP AIF CLIENTS NORTRUST NOMINEES 10 PERCENT ACCOUNT | 5,524,500     | 1.30       |
| 10. | DBS BANK LTD. FOR CLIENT AC SG0264200001                                                                         | 5,445,400     | 1.28       |

### Limitation of Foreign Shareholder

The foreign shareholders can hold the shares of the company not exceeding 49 percent of total issued and paid-up shares. As of March 4, 2021 the foreign shareholders held 20.77 percent of total shares.

# Organization Structure (Year 2020)

## Somboon Advance Technology Public Company Limited



# Management Structure

The Company's management structure consists of the Board of Directors and Sub-committee which are the Board of Directors, Executive Board, Audit and Corporate Governance Committee and Nomination and Remuneration Committee containing the name list and scope of power and authority as follows:

## 1. Board of Directors consists of

| Name             |              | Position                        |
|------------------|--------------|---------------------------------|
| 1. Mr. Sansern   | Wongcha-um   | Chairman / Independent Director |
| 2. Mr. Yongyuth  | Kitaphanich  | Vice Chairman / Director        |
| 3. Dr. Panja     | Senadisai    | Independent Director            |
| 4. Mr. Ajarin    | Sarasas      | Independent Director            |
| 5. Mr. Paitoon   | Taveebhol    | Independent Director            |
| 6. Dr. Suthad    | Setboonsarng | Independent Director            |
| 7. Mr. Prayong   | Hirunyanich  | Independent Director            |
| 8. Mr. Yongkiat  | Kitaphanich  | Director                        |
| 9. Ms. Napatsorn | Kitaphanich  | Director                        |

Remark: Please find the photos of the Board of Directors on page 59  
Ms. Pasucha Sinchai is a secretary of Board of Directors.

## Authorized Directors

Directors who have authorization to sign and bind the Company are Mr. Yongyuth Kitaphanich, Mr. Yongkiat Kitaphanich and Ms. Napatsorn Kitaphanich. Any two of such three directors jointly sign with the company's seal be affixed.

## Scope of Powers and Duties of the Board of Directors

The Board of Directors is responsible for shareholders in relation with the Company's business operation and supervision of the management to be in accordance with the policy, guidelines and objectives with the maximum benefit to the shareholders and within the frame of good ethics and morality and to take the interest of all interested parties into account.

The Board of Directors shall comply with laws, objectives and articles of Association of the Company and the resolution of the shareholder with honesty and care for the shareholders' interests including in compliance with the criteria and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand.

In perform their duties, the Board of Directors shall appoint the President to be responsible for the Company's business operation.

To supervise all the Company's business, the Board of Directors has determined the following matters to be the authority and responsibility of the Board of Directors to consider approval:

1. Policy, business conducts strategy guidelines, targets, plans and annual budget of the company and subsidiaries.
2. The Company's monthly and quarterly business performances comparing to the plan and budget and the consideration of the further trends of the year.
3. The investment in the annual non-budgetary project.
4. Spending on the investment capital at 5% in excess of the investment budget in the approved project and 10% in excess of the other investment budgets that are not the project investment budget.
5. The purchase and sale of assets, the purchase of business and the participation in the coin vestment project that is not contradicted to the Stock Exchange of Thailand's criteria and not exceeding in values authorized to the President.
6. The transaction or any actions that shall result in the major impact against the Company's financial status, debt burden, business operation strategy and reputation.
7. Any contract execution that is not related to the normal business operation and the contract related to the major regular business operation.
8. Connected transaction between the Company, subsidiaries, associated companies and the related persons in part of the transactions that are not meet with the requirements of the Stock Exchange and the Securities and Exchange Commission.
9. Any transactions effecting the Company's capital structure at the debt ratio against the capital that is exceeding 1.5:1.
10. Payment of the interim dividends.
11. The change of policy and practical methods with the significance related to the accounting, risk management and internal audit.
12. Employment of the President and senior executives.

13. Determination and change of the approval authority conferred to the President and senior executives.
14. Approval of the amount of salaries, salary adjustment and bonuses or bonus formula adjustment or the formula of the annual remuneration adjustment of the executives and employees.
15. The appointment proposal and the termination of status of the Directors, the Company Secretary and the Board of Directors' secretary.
16. Authorization of power and duties to the Chairman, the President, or any Director, including the revision of the said power and duties authorization, however, this must not be in contradiction with the criteria and requirements of the Stock Exchange and Securities and Exchange Commission and related laws.
17. The appointment and the determination of authority of the Sub-committee.
18. To monitor and supervise the business management in accordance with the good corporate governance principle.
19. To appoint the director in subsidiaries.
20. Approval to change and modify the organization structure in Vice President Level up.
21. To enter into the agreement in relation to management or Consulting agreement or technical assistance agreement in connection with core business of the Company.
22. Any other actions to be in accordance with laws, objectives, Articles of Association and resolutions of the meeting of shareholders.

## 2. Executive Board

Consists of 3 non-executive director (2 independent directors) and 1 executive and a Chairman of Executive Board is an independent director.

| Name             |               | Position      |
|------------------|---------------|---------------|
| 1. Mr. Ajarin    | Sarasas       | Chairman      |
| 2. Mr. Yongkiat  | Kitaphanich   | Vice Chairman |
| 3. Mr. Prayong   | Hirunyawonich | Director      |
| 4. Ms. Napatsorn | Kitaphanich   | Director      |

The Executive Director holds a term for 3 years.

Ms. Pasucha Sinchai is a secretary of Executive Board.

## Scope of Powers and Duties of the Executive Board

### 1. Audit

- Policy, direction, business strategies and management structure, as well as business operational criteria of the Company are screened in alignment with the economic conditions and competitions
- Business plan and annual budget
- Every Investment project
- Annual Manpower Plan
- The recruitment / selection of a new executive in the Vice President level according to the rules of Nomination and Remuneration Committee designated by the applicant to consider the selection of at least two but not more than three people, excluding the President. For the return value considering to the salary structure except (1) the promotion (2) the remuneration which is not in accordance with the rules should be proposed to Nomination and Remuneration Committee for consideration.

### 2. Approve or not approve

- Investment project in the capital not exceeded 100 million baht which should be involved the main business of the company and IRR not less than 15% excepted investment for maintenance, improve efficiency or machinery compensation.
- Open and Close the account of the Company in other Financial Institute
- Written-off assets
- Sell non-operation assets not exceeding 10 million baht
- Improvement, change and modify the organizational structure in Department Level and report to the Board of Directors (lower than Department level approved by President)
- Loan or financial assistance to subsidiaries for ordinary business exceeding 30 million baht per time or accumulate amount of each subsidiaries exceeding 100 million baht.

### 3. Follow and supervisory the operations

- Strategy, plan and project including in annual business plan which have to approved by the Board of Directors
- Financial performance of the Company

### 4. Report to Board of Directors

- Monthly financial performance of the Company
- The transaction approved or not be approved by the Executive Board

### 5. Perform any acts designated by the Board of Directors

### 3. Audit and Corporate Governance Committee

consists of all independent directors and one of them has the knowledge and experience in accounting and finance.

| Name           |              | Position |
|----------------|--------------|----------|
| 1. Dr. Panja   | Senadisai    | Chairman |
| 2. Mr. Paitoon | Taveebhol    | Director |
| 3. Dr. Suthad  | Setboonsarng | Director |

Mr. Paitoon Taveebhol has a knowledge and experience in accounting and finance to review the creditability of the financial statements of the Company

The Audit and Corporate Governance Committee holds a term for 3 years.

Mrs. Onanong Yaiyatham is a secretary of the Audit and Corporate Governance Committee.

#### Scope of Powers and Duties of the Audit and Corporate Governance Committee

- Review financial reports against the accounting standard and ensure adequate disclosure.
- Review the internal control and internal audits to ensure suitability and effectiveness; consider independency of the Internal Audit Unit.
- Review the Company's performance to be consistent with the law on securities and stock exchange, Stock Exchange's requirements, or applicable laws.
- Review related-party transactions or any actions with potential conflicts of interests to be consistent with applicable rules and ordinances.
- Review the suitability and adequacy of risk management of the Company.
- Consider, select, nominate, appoint, terminate and propose Company external auditor emolument; determine auditor independency; hold a meeting with auditors at least once a year without management participation.
- Concur with appointment, transfer, terminate and laurels of the Chief of Internal Control Unit; consider concurring with plans, budgets and manpower of the Unit.
- Furnish a corporate governance report of the Audit and Corporate Governance Committee inside the Company's annual report, signed by the Chairman of Audit and Corporate Governance Committee and containing at least the following key attributes:
  - Accuracy and reliability of the financial report.
  - Adequacy of the internal control.
  - Compliance with the law on securities, SET requirements or applicable laws.
  - Auditors' fitness.
  - Transactions with potential conflicts of interests.
  - Audit Committee meetings and attendance of individual members.
  - Opinions or notices arising out of performing duties.
  - Any other matters the shareholders and general investors should know.
- In performing its duties, the Audit and Corporate Governance Committee is empowered to invite the management or pertaining staff of the Company to give opinions, join a meeting, or submit documents deemed relevant or necessary.
- Have power to hire a consultant or third parties to provide opinions or consultancy in case of necessity, the expenses borne by the Company.
- Consider and review the scope of powers and duties and responsibilities and evaluate the Audit Committee's performance regularly on a yearly basis.
- Perform any acts designated by the Board of Director and already approved by the Audit and Corporate Governance Committee.
- Report the Audit Committee's performance to the Board of Directors every quarter.
- Conduct an audit and report the preliminary audit to the SEC Office and auditors. In case the Audit Committee is informed by the auditors of any reasonably suspicious events, action must be taken within 30 days from its receipt of such notification.
- Acknowledge a copy of report of Company's directors and executives regarding their or other related persons' conflicts of interests in relation to the business management of the Company or its subsidiaries, subject to the criteria, conditions and methods stipulated under the Capital Market Commission's notifications.
- Review the corporate governance policy and code of conduct; monitor compliance with the policy regularly at least once a year.
- Consider appointing working team to undertake supporting corporate governance and business ethics as appropriate.
- Review the self- evaluation form in relation to Anti-Corruption of the Company according to the Private Sector Collective Action Coalition against Corruption Project.

#### 4. Nomination and Remuneration Committee for Directors and Executives

consists of all independent directors.

| Name           |           | Position |
|----------------|-----------|----------|
| 1. Mr. Paitoon | Taveebhol | Chairman |
| 2. Dr. Panja   | Senadisai | Director |
| 3. Mr. Ajarin  | Sarasas   | Director |

The Nomination and Remuneration Committee holds a term for 3 years.

Dr. Anotai Mohjhaw is a secretary of the Nomination and Remuneration Committee.

#### Scope of Powers and Duties of the Nomination and Remuneration Committee

- To formulate policies for submission to the Board of Directors as follows.
  - Policy, criteria and method for nomination of the directors and president.
  - Policy, criteria and method for payment of remunerations and other benefits to the Board of Directors, subcommittees and president.
- To select and nominate the persons with suitable qualifications to the Board of Directors for consideration as follows.
  - Directors
  - Subcommittee members of various sub-committee assigned with authority, duty and responsibility directly from the board of directors of the Company.
  - President and vice president. For the vice president position, the president is required to make an initial screen before submission is made to the Nomination and Remuneration Committee for approval and to the board of directors for consideration.
- To supervise the board of directors of the company to ensure that its size and components are suitable to the organization, including adjustment in response to the changing environment
- To supervise directors and president to ensure that their remuneration is suitable to their duties and responsibilities assigned.
- To determine guideline, present and approve the performance evaluation on the directors and president for adjustment of remuneration and bonus payment annually.

- To monitor the preparation of the succession plan for the president and vice president for submission to the board of director of the company for consideration at least twice a year.
- To submit a performance report to the board of directors once a year.
- To specify the social responsibility and sustainability policies.
- To review and follow up the company's operation to be in line with the policy as concern of impact on all stakeholders twice a year.
- To consider appointing the working team to work on the social responsibility and sustainability as appropriate.
- To perform any acts designated by the board of directors.

#### 5 Enterprise Risk Management Committee

consists of Executives of the Company

| ชื่อ – นามสกุล    |                  | ตำแหน่ง  |
|-------------------|------------------|----------|
| 1. Ms. Napatsorn  | Kitaphanich      | Chairman |
| 2. Dr. Cheerawit  | Sureerattanan    | Director |
| 3. Dr. Anotai     | Mohjhaw          | Director |
| 4. Mr. Patpong    | Weerasin         | Director |
| 5 Mr. Nuttakajorn | Yanpirat         | Director |
| 6 Mr. Somsak      | Sitthinuncharoen | Director |
| 7 Mr. Vacharatorn | Kitaphanich      | Director |
| 8 Mr. Varasa      | Saundee          | Director |
| 9 Mr. Seksom      | Na Nakornpanom   | Director |

Mr. Tithaphong Phongsphetrarat is a secretary of the Enterprise Risk Management Committee

#### Scope of Powers and Duties of the Enterprise Risk Management Committee

- Prepare enterprise risk management plan, including risk assessment and treatment plan and integrate them with corporate strategy and perform yearly review.
- Prepare procedure, criterion and measurement of enterprise risk management, including identifying, analyzing, monitoring and communicating at enterprise level and related functions continuously.
- Follow up risk treatment plan to control enterprise risks according to company's targets and report to the Audit and Corporate Governance Committee.

4. Appoint the functional risk management working team (FRM) of each business unit and monitor performance of the functional risk management working team quarterly.
5. Promote risk awareness to business units and support functions, including suggestion and support necessary resources for effective implementation with sufficient control.
6. Conduct a meeting to review the performance according to the risk management system in order to maintain the organization's ability to achieve its goals with measures to control risks at acceptable levels and in accordance with the business environment.

## 6. Management consists of

| Name               |                | Position                                                                       |
|--------------------|----------------|--------------------------------------------------------------------------------|
| 1. Ms. Napatsorn   | Kitaphanich    | President                                                                      |
| 2. Mr. Patpong     | Weerasin       | Vice President of Business Unit SAT and Managing Director of Business Unit SFT |
| 3. Dr. Cheerawit   | Sureerattanan  | Managing Director of Business Unit SBM & ICP                                   |
| 4. Mr. Nuttakajorn | Yanpirat       | Vice President - Finance & Accounting / Information Technology                 |
| 5. Mr. Thanthach   | Ritthinam      | Vice President - President Office                                              |
| 6. Dr. Anotai      | Mohjhaw        | Vice President - Human Resources and Administration                            |
| 7. Mr. Seksom      | Na Nakornpanom | Vice President - Corporate Strategy & Sustainability Development               |

Remark: Mr. Nuttakajorn Yanpirat Vice President - Finance & Accounting / Information Technology was in this position until September 30, 2020.

## Scope of Powers and Duties of the President

1. To prepare the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries submitted to the Board of Directors for the Approval.
2. To undertake in accordance with the policy, business conduct strategy guidelines, target, work plan and annual budget of the company and subsidiaries as approved by the Board of Directors.
3. To report the monthly and quarterly business performance of the company and subsidiaries in comparison of the

plan and budget to the Board of Directors together with the recommendations.

4. To approve the expenses and investment capital that are not in the annual budget for not exceeding one million baht on each occasion but the report has to be made to the Board of Directors for acknowledgement.
5. To approve the investment projects in an amount not exceed 20 million baht by the investment project has to associate with the main business of the company. The rate of return on investment (IRR Project) not less than 15 percent and conforms to the pricing policy of Executive committee. In addition, the investment projects shall be reported to Executive committee except those projects do not along to the criteria that would be approved by Board of Director including the investment project for maintenance, increasing efficiency or replacement.
6. Approval to change and modify the organizational structure below Department Level and report to Executive Board.
7. Other matters assigned by the Board of Directors.

In this regard, the exercise of power of the President is not included (Must not be contradicted with the Security and Exchange Commission's Criteria) the power in approving the transaction causing the President or contradicted persons to have the interest or may have the conflict of interest in otherwise manners with the company and subsidiaries including the transaction provided to have the approval of the meeting of the Board of Directors or shareholders such as the inter-related transactions or acquisition or disposal of the assets of the Company and subsidiaries.

## Structure and Elements of the Board of Directors

The Board of Directors has arranged the number of the directors as appropriate with the business size. Currently, there are 9 directors, 1 of them are Executive Directors and the remaining 8 are not. (6 of them are Independent Directors)

## Independent Director is 66.67 % of the Board of Directors,

which consists of;

1. Mr. Sansern Wongcha-um
2. Dr. Panja Senadisai
3. Mr. Ajarin Sarasas
4. Mr. Paitoon Taveebhol
5. Dr. Suthad Setboonsarng
6. Mr. Prayong Hirunyawanch

**The definition of “Independent Director” of the Company are as following;**

- (1) holding no more than 0.5 percent of the total voting shares of the Company, parent company, subsidiary, associate company, major shareholder or controlling person of the Company, including shares held by the connected persons of such independent director;
- (2) not being or having been an executive director, employee, staff, advisor earning regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended for at least two years prior to the appointment date. In this regard, such prohibited characteristics shall exclude the case where an independent director used to be a government official or advisor of a governmental agency, which is a major shareholder or the controlling person of the Company;
- (3) not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary;
- (4) not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least two years prior to the appointment date.

The business relationship under Paragraph 1 shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of

Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person;

- (5) not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than two years prior to the appointment date;
- (6) not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than two years prior to the appointment date;
- (7) not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder;
- (8) not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary;
- (9) not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company; and
- (10) Determining term of independent director for not exceeding 9 consecutive years, starting from 1 January 2015 onwards.

**The Role of Chairman**

1. To be the Chairman in the Board of Director's meeting.
2. To summon the Board of Director's meeting.
3. To have a decision vote in the event of a tie vote.
4. To be the Chairman in the Shareholder meeting.

## Director's Meeting

The Board of Directors has scheduled for the meeting plan in advance and will organize at least 6 meetings a year as well as arrange the special meeting as necessary. At each meeting, both agenda for the acknowledgement and consideration are clearly stated. The document is well-prepared and delivered to the directors 7 working days prior to the meeting so that the director can study the information before the meeting. In the meeting, the chairman will allocate the time adequately so that all directors can freely discuss and share the opinion. Also, the Company

has a policy for Non-Executive Directors (NED) to organize their own meeting without the attendance of Operation Department. In 2020, the non-executive director's meeting was arranged 1 time, on January 23, 2020. The chairman will analyze the suggestion and conclusion from the meeting. Minutes of meeting is recorded by the secretary. After the approval from the meeting, the minutes will be stored in the shelf on the 2nd floor, 11th building at the head office for the directors and related person to examine. The details of attending meetings are as following:

| Name                         | Position                                                                                                          | Attendance (Times) |                 |                      |                                     |     |
|------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------|-----------------|----------------------|-------------------------------------|-----|
|                              |                                                                                                                   | Board of Directors | Executive Board | Audit & CG Committee | Nomination & Remuneration Committee | NED |
| 1. Mr. Sansern Wongcha-um    | Independent director/ Chairman                                                                                    | 12/12              | -               | -                    | -                                   | 1/1 |
| 2. Mr. Yongyuth Kitaphanich  | Director/Vice Chairman                                                                                            | 12/12              | -               | -                    | -                                   | -   |
| 3. Dr. Panja Senadisai       | Independent director/ Chairman of the Audit and CG Committee/ Member of the Nomination and Remuneration Committee | 12/12              | -               | 5/5                  | 3/3                                 | 1/1 |
| 4. Mr. Ajarin Sarasas        | Independent director/ Chairman of Executive Board/ Member of the Nomination and Remuneration Committee            | 12/12              | 9/9             | -                    | 3/3                                 | 1/1 |
| 5. Mr. Paitoon Taveebhol     | Independent director/ Member of the Audit and CG Committee/ Chairman of the Nomination and Remuneration Committee | 12/12              | -               | 5/5                  | 3/3                                 | 1/1 |
| 6. Dr. Suthad Setboonsarng   | Independent director/ Member of the Audit and CG Committee                                                        | 12/12              | -               | 5/5                  | -                                   | 1/1 |
| 7. Mr. Prayong Hirungawanich | Independent director/ Executive Board                                                                             | 12/12              | 9/9             | -                    | -                                   | 1/1 |
| 8. Mr. Yongkiat Kitaphanich  | Director/ Vice Chairman of the Executive Board                                                                    | 12/12              | 9/9             | -                    | -                                   | -   |
| 9. Ms. Napatsorn Kitaphanich | Director/ President                                                                                               | 12/12              | 9/9             | -                    | -                                   | -   |

The Board of Directors has set policy on the minimum quorum of the Board of Directors that there are the directors attending the meeting at least two-thirds of all director while they are voting.

### Tenure Committee

The Board of Directors consists of person with knowledge and competency. The Company specified the number of the directors as appropriate with the business size. Currently, the Company has 9 directors, 1 of them are Executives and the remain 8 are Non-Executives (6 of them are Independent Directors) which is 66.67% of the total directors. Each of them has term for 3 years and the term of Independent Directors not exceeding 9 years, starting from 1 January 2015 onwards.

| Name                         | Year of appointment | Year of the latest election (2020) | Type of Director                  | Nomination/Appointment to be director in 2021 | Next due for Appointment |
|------------------------------|---------------------|------------------------------------|-----------------------------------|-----------------------------------------------|--------------------------|
| 1. Mr. Sansern Wongcha-um    | 2008                | 2020                               | Chairman/<br>Independent Director | No                                            | 2023                     |
| 2. Mr. Yongyuth Kitaphanich  | 2004                | 2019                               | Non-Executives                    | No                                            | 2022                     |
| 3. Mr. Panja Senadisai       | 2004                | 2018                               | Independent Director              | Yes                                           | 2021                     |
| 4. Mr. Ajarin Sarasas        | 2009                | 2020                               | Independent Director              | No                                            | 2023                     |
| 5. Mr. Paitoon Taveebhol     | 2008                | 2020                               | Independent Director              | No                                            | 2023                     |
| 6. Dr. Suthad Setboonsarng   | 2018                | 2018                               | Independent Director              | Yes                                           | 2021                     |
| 7. Mr. Prayong Hirunyawanich | 2017                | 2019                               | Independent Director              | No                                            | 2022                     |
| 8. Mr. Yongkiat Kitaphanich  | 2004                | 2018                               | Non-Executives                    | Yes                                           | 2021                     |
| 9. Ms. Napatsorn Kitaphanich | 2004                | 2019                               | Executive Director                | No                                            | 2022                     |

### The Company Secretary

The director's meeting No.4/2018 had the resolution to appoint Ms. Pasucha Sinchai, Assistance General Manager-Legal, to be Company Secretary, effectively on May 1, 2018, to perform the duties according to the law and Securities and Exchange Act, Section 89/15 and 89/16 as follows:

- (1) Center of document in document preparation and filing.
- (2) a register of directors
- (3) To arrange shareholder meeting, notice of calling a director meeting and minutes of meeting
- (4) To report on interest filed by a director or an executive
- (5) To arrange activities between directors and executives for good relationships
- (6) To coordinate in the performance to be in Accordance with the resolution of the Board of Directors
- (7) Others business assigned by the Board of Directors

### Biographies

#### Ms. Pasucha Sinchai

- Master of Indiana University, Bloomington IN, USA, LL.M.
- Bachelor of Laws, Thammasat University

#### Qualification:

Having knowledge in business law and other related, work experience in arrangement of Board of Director's meeting and preparing the minutes together with good personality.

#### Training Program:

- Effective Minutes Taking (EMT) 44/2019 (IOD)
- Company Secretary Program (CSP) 83/2017 (IOD)
- Company Reporting Program (CRP) 18/2017 (IOD)
- Basic Course Company Secretary 1/2015 (Thai LCA)

# The Board of Directors and Executives



## Board of Directors

### 1. Mr. Sansern Wongcha-um

- Chairman of the Board of Directors
- Independent Director (from March 24, 2008 to present)
- Age (Year) 73

#### Education

- Honorary Doctor of Philosophy in Geosocial Based Sustainable Development, Maejo University
- Master of Business Administration (Business Economics), University of Bridgeport, Connecticut, USA
- Bachelor of Economics (Money and Public Finance), Thammasat University
- Diploma, Thailand National Defense College, Class 37

#### Training Program:

- Role of the Chairman
- Finance for Non-Finance Directors
- Director Accreditation Program

#### % Shareholding - None -

- Number of Listed Company (ies) being in a Position of Director 1 Company
- Number of Non-Listed Company (ies) being in a Position of Director 1 Company

#### Work experiences in the last 5 years

- |                 |                                                                                                                                                                                                          |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2008 - Present  | Chairman/ Independent Director<br>Somboon Advance Technology Public Company Limited                                                                                                                      |
| 2008 - Apr 2019 | Chairman/ Independent Director<br>Bualuang Securities Public Company Limited<br>Chairman of the Nomination and Remuneration Committee/<br>Independent Director<br>Deves Insurance Public Company Limited |
| 2008 - Feb 2017 | Chairman of the Audit Committee/<br>Independent Director<br>The Erawan Group Public Company Limited                                                                                                      |

### 2. Mr. Yongyuth Kitaphanich

- Vice Chairman
- Director (from July 21, 2004 to present)
- Age (Year) 69

#### Education

- Mini M.B.A., Thammasat University
- Bachelor of Commerce and Accountancy, Chulalongkorn University
- Diploma, National Defense Course for the Joint State-Private Sector (Class 9), Thailand National Defense College

#### Training Program:

- Director Certification Program
- Role of the Chairman

#### % Shareholding 0.01%

- Number of Listed Company (ies) being in a Position of Director 1 Company
- Number of Non-Listed Company (ies) being in a Position of Director 4 Companies

#### Work experiences in the last 5 years

- |                |                                                                                                                    |
|----------------|--------------------------------------------------------------------------------------------------------------------|
| 2004 - Present | Vice Chairman/ Director<br>Somboon Advance Technology Public Company Limited                                       |
| 2014 - Present | Director, International Casting Products Company Limited                                                           |
| 2012 - Present | Director, Somboon Forging Technology Company Limited                                                               |
| 1994 - Present | Director, Somboon Malleable Iron Industrial Company Limited<br>Director, Bangkok Spring Industrial Company Limited |
| 2004 - 2017    | Member of the Executive Board<br>Somboon Advance Technology Public Company Limited                                 |



### 3. Dr. Panja Senadisai

- Chairman of the Audit and Corporate Governance Committee
- Member of the Nomination and Remuneration for Directors and Executives Committee
- Independent Director (from July 21, 2004 to present)
- Age (Year) 72

#### Education

- Doctor of Philosophy in Industrial Business Administration, King Mongkut's Institute of Technology Ladkrabang
- Master's Degree in Business Administration, Suffolk University, Massachusetts, USA

#### Training Program:

- Directors Certification Program
- Audit Committee Program
- Role of the Compensation Committee Program
- Leader Program #8, Capital Market Academy
- Public Director Certification Program #2, Public Director Institute
- Top Executive Program in Commerce and Trade (TEPCoT) #4
- Corporate Governance for Capital Market Intermediaries (CGI) #15/2016
- Risk Management Program for Corporate Leaders (RCL) #12/2018

#### % Shareholding - None -

- Number of Listed Company (ies) being in a Position of Director 4 Companies
- Number of Non-Listed Company (ies) being in a Position of Director 2 Companies

#### Work experiences in the last 5 years

|                |                                                                                                                                       |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------|
| 2020 - Present | Director,<br>Sukhumvit 62 Medical Company Limited                                                                                     |
| 2016 - Present | Member of the Enterprise Risk Policy Committee<br>KCE Electronics Public Company Limited                                              |
| 2007 - Present | Member of the Nomination and Remuneration for Directors and Executives Committee<br>Somboon Advance Technology Public Company Limited |
| 2006 - Present | Chairman of the Audit and Corporate Governance Committee<br>Somboon Advance Technology Public Company Limited                         |
| 2006 - Present | Director, PAC (Siam) Company Limited                                                                                                  |
| 2005 - Present | Director/ Chairman of the Audit Committee<br>Pylon Public Company Limited                                                             |
| 2004 - Present | Independent Director<br>Somboon Advance Technology Public Company Limited                                                             |
| 2002 - Present | Director/ Member of the Audit Committee/<br>Chairman of the Remuneration Committee<br>Trinity Watthana Public Company Limited         |
| 1983 - Present | Director,<br>KCE Electronics Public Company Limited                                                                                   |

### 4. Mr. Ajarin Sarasas

- Chairman of the Executive Board
- Member of the Nomination and Remuneration for Directors and Executives Committee
- Independent Director (from December 16, 2009 to present)
- Age (Year) 77

#### Education

- Honorary Doctor of Business Administration Industrial Management, Kensington University, USA
- Diploma, National Defense Course for the Joint State-Private Sector (Class 1), Thailand National Defense College
- Certificate / License for Professional Practice: Senior Professional Industrial Engineer

#### Training Program:

- Directors Certification Program

#### % Shareholding - None -

- Number of Listed Company (ies) being in a Position of Director 1 Company
- Number of Non-Listed Company (ies) being in a Position of Director - None -

#### Work experiences in the last 5 years

|                |                                                                                                                                                                |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Present        | Independent Advisor<br>in Total Quality Management (TQM)                                                                                                       |
| Present        | Honorary President, Thai Autoparts Manufacturers Association (TAPMA)                                                                                           |
| Present        | Honorary Chairman, Automotive Industry Club                                                                                                                    |
| Present        | Advisor to Director<br>The Thai Automotive Industry Association                                                                                                |
| Present        | Advisor, Group of Cobra International Company Limited                                                                                                          |
| 2018 - Present | Chairman of the Executive Board<br>Somboon Advance Technology Public Company Limited                                                                           |
| 2009 - Present | Independent Director/ Member of the<br>Nomination and Remuneration for Directors and Executives Committee<br>Somboon Advance Technology Public Company Limited |
| 2009 - 2018    | Member of Audit and Corporate Governance Committee<br>Somboon Advance Technology Public Company Limited                                                        |
| 2014-2016      | Chairman of Risk Management Policy Committee<br>Somboon Advance Technology Public Company Limited                                                              |

#### 5. Mr. Paitoon Taveebhol

- Chairman of the Nomination and Remuneration for Directors and Executives Committee
- Member of the Audit and Corporate Governance Committee
- Independent Director (from April 24, 2008 to present)
- Age (Year) 70

#### Education

- M.B.A., Kasetsart University
- B.A. (Accounting), Ramkhamhaeng University
- Certificate in Auditing, Thammasat University

#### Training Program:

- Director Accreditation Program
- Director Certification Program
- Audit Committee Program
- Role of the Chairman
- Chartered Director Program
- Advanced Audit Committee

#### % Shareholding - None -

- Number of Listed Company (ies) being in a Position of Director 4 Companies
- Number of Non-Listed Company (ies) being in a Position of Director 1 Company

#### Work experiences in the last 5 years

|                |                                                                                                                                                                                                                    |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2016 - Present | Chairman of the Enterprise Risk Policy Committee/ Member of the Nomination and Remuneration Committee, KCE Electronics Public Company Limited                                                                      |
| 2012 - Present | Independent Director/ Chairman of the Audit Committee KCE Electronics Public Company Limited                                                                                                                       |
| 2014 - Present | Chairman, ZEN Corporation Group Company Limited                                                                                                                                                                    |
| 2012 - Present | Independent Director/ Member of the Audit Committee Easy Buy Public Company Limited                                                                                                                                |
| 2008 - Present | Independent Director/ Chairman of the Nomination and Remuneration for Directors and Executives Committee/ Member of the Audit and Corporate Governance Committee Somboon Advance Technology Public Company Limited |
| 2002 - Present | Independent Director/ Chairman of the Audit Committee/ Chairman of the Risk Policy Central Pattana Public Company Limited                                                                                          |

#### 6. Dr. Suthad Setboonsarng

- Member of Audit and Corporate Governance Committee
- Independent Director (from April 20, 2018 to present)
- Age (Year) 70

#### Education

- Ph.D. in Economics, University of Hawaii, USA
- M.A. in Agricultural Economics, University of Hawaii, USA
- B.A. in Economics, Thammasat University

#### Training Program:

- Director Certification Program
- Boards that Make a Difference

#### % Shareholding - None -

- Number of Listed Company (ies) being in a Position of Director 2 Companies
- Number of Non-Listed Company (ies) being in a Position of Director 1 Company

#### Work experiences in the last 5 years

|                |                                                                                                                            |
|----------------|----------------------------------------------------------------------------------------------------------------------------|
| 2018 - Present | Independent Director/ Member of Audit and Corporate Governance Committee Somboon Advance Technology Public Company Limited |
| 2014 - Present | Independent Director/ Member of the Audit Committee Banpu Public Company Limited                                           |
| 2013 - Present | Chairman, Nawachione Foundation                                                                                            |
| 2013 - Present | Member, Board of Trustee, International Rice Research Institute (IRRI) Los Banos, the Philippines                          |
| 2015 - 2020    | Member of the Board/ Chairman of the Audit Committee/ Member of Risk Oversight Committee Bank of Thailand                  |



#### 7. Mr. Prayong Hirungawanich

- Executive Board
- Independent Director (from April 23, 2019 to present)
- Age (Year) 69

##### Education

- M.B.A., New York University
- Bachelor of Mechanical Engineering, Chulalongkorn University

##### Training Program:

- Director Accreditation Program

##### % Shareholding - None -

- Number of Listed Company (ies) being in a Position of Director 1 Company
- Number of Non-Listed Company (ies) being in a Position of Director 1 Company

##### Work experiences in the last 5 years

|                |                                                                               |
|----------------|-------------------------------------------------------------------------------|
| 2019 - Present | Independent Director<br>Somboon Advance Technology<br>Public Company Limited  |
| 2017 - Present | Executive Director<br>Somboon Advance Technology<br>Public Company Limited    |
| 2012 - Present | Independent Director,<br>Zafco FTZ Co., Dubai                                 |
| 2012 - Present | Strategic Committee,<br>Anti-Corruption Organizations of Thailand             |
| 2017 - 2018    | Director,<br>Somboon Advance Technology<br>Public Company Limited             |
| 2015 - 2016    | Advisor,<br>Siam Sindhorn Company Limited                                     |
| 2012 - 2016    | Advisor to President,<br>Somboon Advance Technology<br>Public Company Limited |

#### 8. Mr. Yongkiat Kitaphanich

- Vice Chairman of the Executive Board
- Director (from August 21, 2004 to present)
- Age (Year) 58

##### Education

- M.B.A., National Institute of Development Administration
- Master of Industrial Engineering, Waseda University (Japan)
- Bachelor of Mechanical Engineering, King Mongkut's Institute Technology Ladkrabang

##### Training Program:

- Director Accreditation Program
- Finance for Non-Finance Directors
- Director Certification Program

##### % Shareholding 0.92%

- Number of Listed Company (ies) being in a Position of Director 1 Company
- Number of Non-Listed Company (ies) being in a Position of Director 7 Companies

##### Work experiences in the last 5 years

|                |                                                                                                                                                                    |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2020 - Present | Director, Mubea Somboon Automotive<br>Company Limited                                                                                                              |
| 2017 - Present | Vice Chairman of the Executive Board<br>Somboon Advance Technology<br>Public Company Limited                                                                       |
| 2017 - Present | Honorary Chairman<br>Auto Parts Industry Club of<br>the Federation of Thai Industries                                                                              |
| 2017 - Present | Honorary President,<br>Thai Auto Parts Manufacturers Association                                                                                                   |
| 2012 - Present | Director, Somboon Forging Technology<br>Company Limited                                                                                                            |
| 2007 - Present | Director<br>Somboon Malleable Iron Industrial<br>Company Limited<br>Bangkok Spring Industrial Company Limited<br>International Casting Products<br>Company Limited |
| 2017 - 2018    | Director, Mubea Somboon Automotive<br>Company Limited                                                                                                              |
| 2012 - 2017    | President, Somboon Advance Technology<br>Public Company Limited                                                                                                    |

#### 9. Ms. Napatsorn Kitaphanich

- President
- Director (from July 21, 2004 to present)
- Age (Year) 56

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##### Education

- M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Business Administration in Finance and Management (BBA), Simon Fraser University (Canada)

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##### Training Program:

- Director Accreditation Program
- Strategic IQ - Executive Education Harvard Business School
- Executive Course, Capital Market Academy (Class 25)

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##### % Shareholding 1.68%

- Number of Listed Company (ies) being in a Position of Director 1 Company
- Number of Non-Listed Company (ies) being in a Position of Director 5 Companies

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##### Work experiences in the last 5 years

|                |                                                                                                          |
|----------------|----------------------------------------------------------------------------------------------------------|
| 2020 – Present | Director,<br>Somboon Siasun Tech Company Limited                                                         |
| 2018 - Present | President,<br>Somboon Advance Technology<br>Public Company Limited                                       |
| 2014 - Present | Director,<br>Somboon Malleable Iron Industrial<br>Company Limited                                        |
| 2012 - Present | Director,<br>Somboon Forging Technology<br>Company Limited                                               |
| 2007 - Present | Director,<br>International Casting Products Company Limited<br>Bangkok Spring Industrial Company Limited |
| 2004 - Present | Director,<br>Somboon Advance Technology<br>Public Company Limited                                        |
| 2018 - 2020    | Director,<br>Mubea Somboon Automotive Company Limited                                                    |
| 2014 - 2017    | Vice President-President Office<br>Somboon Advance Technology<br>Public Company Limited                  |





## Executives

### 1. Dr. Cheerawit Sureerattanan

- Managing Director of Business Unit SBM & ICP
- Age (Year) 54

#### Education

- Doctor of Philosophy in Industrial Business Administration (Ph.D.) King Mongkut's Institute of Technology Ladkrabang
- Master of Business Administration (M.B.A), Khon Kaen University
- Master of Mechanical Engineering (M.E.), Course work, Kasetsart University
- Bachelor of Mechanical Engineering (M.E.), Rajamangala Institute of Technology

#### Training Program

- Director Certification Program

**% Shareholding** 0.001%

#### Work experiences in the last 5 years

- 2019 - Present Managing Director of Business Unit Somboon Malleable Iron Industrial Company Limited International Casting Products Company Limited
- 2014 - 2018 Vice President - Sales & Marketing Somboon Advance Technology Public Company Limited

### 2. Mr. Patpong Weerasin

- Vice President of Business Unit SAT
- Managing Director of Business Unit SFT
- Age (Year) 52

#### Education

- Master of Science (Logistic Management), King Mongkut's University of Technology Thonburi
- B.B.A Industrial Management, Rajamangala Institute of Technology

#### Training Program

- Director Certification Program
- Anti - Corruption for Executive Program
- Leadership Development Program (LDP6)

**% Shareholding** 0.00005%

#### Work experiences in the last 5 years

- 2015 - Present Vice President of Business Unit, Somboon Advance Technology Public Company Limited Managing Director of Business Unit, Somboon Forging Technology Company Limited

### 3. Mr. Nuttakajorn Yanpirat

- Vice President - Finance & Accounting/  
Information Technology  
(Assigned to be a Chief in Finance and Accounting)  
(He was in this position until September 30, 2020.)

- Age (Year) 44

#### Education

- Master of Science in Engineering,  
University of Pennsylvania
- Bachelor of Science in Engineering,  
University of Pennsylvania
- Bachelor of Science in Economics,  
University of Pennsylvania

#### Training Program

- Director Certification Program

#### % Shareholding - None -

#### Work experience in the last 5 years

- 2018 – Present Director, Somboon Malleable Iron Industrial  
Company Limited, Bangkok Spring  
Industrial Company Limited,  
International Casting Products Company  
Limited, Somboon Forging Technology  
Company Limited
- 2020 – 2021 Director, Somboon Siasun Tech Company  
Limited
- 2016 – 2020 Vice President - Finance & Accounting/  
Information Technology  
Somboon Advance Technology Public  
Company Limited
- 2019 - 2020 Director, Nippon Kikai Engineering  
Company Limited
- 2017- 2020 Director, Mubea Somboon Automotive  
Company Limited

### 5. Dr. Anotai Mohjhaw

- Vice President - Human Resources and Administration
- Age (Year) 50

#### Education

- PhD in Human Resources Development  
(International Program), Burapha University
- Master of Science in Engineering Management,  
Western Michigan University USA
- Bachelor of Mechanical Engineering,  
Chulalongkorn University

#### % Shareholding - None -

#### Work experience in the last 5 years

- 2019 - Present Vice President - Human Resources  
and Administration  
Somboon Advance Technology  
Public Company Limited
- 2017 - 2018 Vice President - Human Resources  
Somboon Advance Technology  
Public Company Limited
- 2015 - 2017 General Manager -  
Human Resources Division,  
Bangkok Komatsu Sales Company Limited

### 4. Mr. Thanthach Ritthinam

- Vice President - President Office
- Age (Year) 48

#### Education

- M.B.A. - General Management (English Program),  
Ramkhamhaeng University
- Master of Science - Computer and Engineering Management  
(English Program), Assumption University
- Certificate of Chemical Engineering, University of  
Manchester Institute of Science and Technology (UK)
- Bachelor of Science in Petrochemical (1<sup>st</sup> Class Honor)  
King Mongkut's Institute of Technology North Bangkok

#### Training Program

- Director Certification Program
- Executive Development Program

#### % Shareholding 0.01%

#### Work experience in the last 5 years

- 2019 - Present Vice President - President Office,  
Somboon Advance Technology  
Public Company Limited  
Managing Director,  
Mubea Somboon Automotive  
Company Limited
- 2016 - Present Director,  
Thai Autoparts Manufacturers Association
- 2016 - 2018 Vice President - Corporate Strategy &  
Business Development  
Somboon Advance Technology  
Public Company Limited

### 6. Mr. Seksom Na Nakornpanom

- Vice President - Corporate Strategy &  
Sustainability Development
- Age (Year) 42

#### Education

- Master of Science in Automotive Engineering,  
University of Sussex & University of Brighton  
(Joint Program), UK.
- Bachelor of Mechanical Engineering,  
Thammasat University

#### % Shareholding - None -

#### Work experience in the last 5 years

- 2020 - 2021 Vice President -  
Corporate Strategy & Sustainability  
Development  
Somboon Advance Technology  
Public Company Limited
- 2015 - 2020 General Manager  
Beijing Benz Automotive  
Company Limited



## Shareholding of the Board of Directors and Management

| Director        |                | Number of Ordinary Shares<br>March 4, 2021 | Nature of Interest         | Number of Rights Over<br>Ordinary Shares |
|-----------------|----------------|--------------------------------------------|----------------------------|------------------------------------------|
| Mr. Sansern     | Wongcha-um     | -                                          | -                          | -                                        |
| Mr. Yongyuth    | Kitaphanich    | 37,986                                     | Direct                     | -                                        |
| Dr. Panja       | Senadisai      | -                                          | -                          | -                                        |
| Mr. Ajarin      | Sarasas        | -                                          | -                          | -                                        |
| Mr. Paitoon     | Taveebhol      | -                                          | -                          | -                                        |
| Dr. Suthad      | Setboonsarng   | -                                          | -                          | -                                        |
| Mr. Prayong     | Hirunyawanch   | -                                          | -                          | -                                        |
| Mr. Yongkiat    | Kitaphanich    | 3,330,600                                  | Direct                     | -                                        |
|                 |                | 589,743                                    | Indirect (Spouse)          | -                                        |
| Ms. Napatsorn   | Kitaphanich    | 2,911,590                                  | Direct                     | -                                        |
|                 |                | 4,217,386                                  | In direct (Minor Children) | -                                        |
| Mr. Patpong     | Weerasin       | 250                                        | Direct                     | -                                        |
| Dr. Cheerawit   | Sureerattanan  | 5,000                                      | Direct                     | -                                        |
| Mr. Nuttakajorn | Yanpirat       | -                                          | -                          | -                                        |
| Mr. Thanthach   | Ritthinam      | 6,150                                      | Direct                     | -                                        |
|                 |                | 45,000                                     | Indirect (Spouse)          | -                                        |
| Dr. Anotai      | Mohjhaw        | -                                          | -                          | -                                        |
| Mr. Seksom      | Na Nakornpanom | -                                          | -                          | -                                        |

## Movement of shareholding of Directors and Management Personnel

| Name                            | Ordinary shares |               |                                                 |
|---------------------------------|-----------------|---------------|-------------------------------------------------|
|                                 | March 4, 2021   | March 5, 2020 | The share amount of amended (Increase/Decrease) |
| 1. Mr. Sansern Wongcha-um       | -               | -             | -                                               |
| 2. Mr. Yongyuth Kitaphanich     | 37,986          | 3,607,986     | 3,570,000                                       |
| 3. Dr. Panja Senadisai          | -               | -             | -                                               |
| 4. Mr. Ajarin Sarasas           | -               | -             | -                                               |
| 5. Mr. Paitoon Taveebhol        | -               | -             | -                                               |
| 6. Dr. Suthad Setboonsarng      | -               | -             | -                                               |
| 7. Mr. Prayong Hirungawanich    | -               | -             | -                                               |
| 8. Mr. Yongkiat Kitaphanich     | 3,920,343       | 3,920,343     | 0                                               |
| 9. Ms. Napatsorn Kitaphanich    | 7,128,976       | 7,078,976     | 50,000                                          |
| 10. Mr. Patpong Weerasin        | 250             | 250           | 0                                               |
| 11. Dr. Cheerawit Sureerattanan | 5,000           | 5,000         | 0                                               |
| 12. Mr. Nuttakajorn Yanpirat    | -               | -             | -                                               |
| 13. Mr. Thanthach Ritthinam     | 51,150          | 51,150        | 0                                               |
| 14. Dr. Anotai Mohjhaw          | -               | -             | -                                               |
| 15. Mr. Seksom Na Nakornpanom   | -               | -             | -                                               |

Remark: Information from the Record Date on March 4, 2021

## Dividend Policy

The Company has a policy to allocate the annual profit for the annual dividend distribution, taking into account the following conditions:

- (i) its operational results turn out to be a profit,
- (ii) there remain no accumulated losses,
- (iii) the cash flow is sufficient for dividend payment, and
- (iv) whether there is a future plan of any investment projects. It is a policy of the Company to pay dividend at a minimum rate of 30 (thirty) percent of its net profit after tax and legal reserve. However, a dividend payment partly depends on the Company's investment and finance plans.

Subsidiaries policy dividends will be determined by the factors mentioned above as well.

### Details of the dividend in the past 5 years

(Unit: Baht)

| Details of dividend payment                                            | Year 2020<br>(Proposed year) | Year 2019      | Year 2018      | Year 2017      | Year 2016      |
|------------------------------------------------------------------------|------------------------------|----------------|----------------|----------------|----------------|
| 1. Net profit (Baht)                                                   | 371,201,647.58               | 894,639,797    | 915,596,702    | 811,240,893    | 607,557,665    |
| 2. Number of shares                                                    | 425,193,894                  | 425,193,894    | 425,193,894    | 425,193,894    | 425,193,894    |
| 3. Dividend pay out<br>Rate per share<br>(Baht : Share)                | 0.60                         | 1.35           | 1.35           | 0.90           | 0.60           |
| 4. Total amount of<br>dividend (Baht)                                  | 255,116,336.40               | 574,011,756.90 | 574,011,756.90 | 382,674,504.60 | 255,116,336.40 |
| 5. Dividend pay<br>out against net<br>profit after tax<br>(percentage) | 68.76                        | 64.16          | 63.00          | 47.17          | 42.00          |

# Remunerations

The Board of Directors appointed the Nomination and Remuneration Committee in order to consider the criteria and establish remuneration policy for director, sub-committee and top management which consist of President and Vice President. The final policy will then be proposed to the Board of Directors for consideration before presenting to the shareholders meeting for consideration and approval.

## 1. The Remuneration of Directors Policy and Payment Criteria

The Board of Directors established the remuneration of directors policy and payment criteria by dividing into 3 parts : 1) monthly remuneration 2) meeting allowance and 3) yearly remuneration, and considering from the responsibility, appropriateness, performance of the director and the Company, compared to the practice of other companies which are categorized in the same industry and size of business, the Business risk, the ability to influence the qualified director who meets the company's necessity to be the the board of director the survey information of remuneration of directors prepared by Thai Institute of Directors and Stock Exchange of Thailand as well as the responsibility and performance of the director which benefits the company. The director who is assigned for the additional duty and responsibility shall receive the reasonable remuneration consistent with such additional assignment accordingly.

## 2. The Remuneration of Management Policy and Payment Criteria

The Nomination and Remuneration Committee will consider and review the President's remuneration and propose it to the Board of Directors for consideration and approval. Such remuneration will be appropriately fixed based on the remuneration structure of the Company and compared to 1) surveyed information about remuneration payment by recognized institutes, organizations and entities 2) the growth rate of the gross domestic product, inflation rate and net profits 5 years backward, including his performance and consistency with the duties and responsibilities assigned.

The President will consider the suitability of determining remunerations and adjusting yearly wages of the Vice President, with consideration of his performance and Company results of operations and his attainment to the pre-defined goals.

## Remunerations of Directors

### 1. Monthly Remuneration and Meeting Allowance

| Position            | Monthly Remuneration (Baht) | Meeting Allowance/Time (Baht) |                 |                                          |                                       |
|---------------------|-----------------------------|-------------------------------|-----------------|------------------------------------------|---------------------------------------|
|                     | Board of Directors          | Board of Directors            | Executive Board | Audit and Corporate Governance Committee | Nomination and Remuneration Committee |
| Chairman            | 36,000                      | 54,000                        | 45,000          | 45,000                                   | 45,000                                |
| Vice Chairman       | 25,000                      | 37,500                        | 37,500          | -                                        | -                                     |
| Other Board members | 20,000                      | 30,000                        | 30,000          | 30,000                                   | 30,000                                |

## 2. The Remuneration of the Board of Directors for the year ended December 31, 2020

The Remuneration of the Board of Directors for the year ended December 31, 2020. The Remuneration of the Board of Directors in form of allowances and remuneration totally Baht 10,066,500 is as following:

| Name                        | Bonus of 2020 (Baht) | Monthly Remuneration and Meeting Allowance (Baht) |                 |                                          |                                       | Total (Baht)      |
|-----------------------------|----------------------|---------------------------------------------------|-----------------|------------------------------------------|---------------------------------------|-------------------|
|                             |                      | Board of Directors                                | Executive Board | Audit and Corporate Governance Committee | Nomination and Remuneration committee |                   |
| 1 Mr. Sansern Wongcha-um    | 537,316              | 954,000                                           |                 |                                          |                                       | 1,491,316         |
| 2 Mr. Yongyuth Kitaphanich  | 373,135              | 662,500                                           |                 |                                          |                                       | 1,035,635         |
| 3 Dr. Panja Senadisai       | 298,507              | 530,000                                           |                 | 225,000                                  | 90,000                                | 1,143,507         |
| 4 Mr. Ajarin Sarasas        | 298,507              | 530,000                                           | 360,000         |                                          | 90,000                                | 1,278,507         |
| 5 Mr. Paitoon Taveebhol     | 298,507              | 530,000                                           |                 | 150,000                                  | 135,000                               | 1,113,507         |
| 6 Dr. Suthad Setboonsarng   | 298,507              | 530,000                                           |                 | 150,000                                  |                                       | 978,507           |
| 7 Mr. Prayong Hirunyanich   | 298,507              | 530,000                                           | 240,000         |                                          |                                       | 1,068,507         |
| 8 Mr. Yongkiat Kitaphanich  | 298,507              | 530,000                                           | 300,000         |                                          |                                       | 1,128,507         |
| 9 Ms. Napatsorn Kitaphanich | 298,507              | 530,000                                           |                 |                                          |                                       | 828,507           |
| <b>Total</b>                |                      |                                                   |                 |                                          |                                       | <b>10,066,500</b> |

Remark: 1. Bonus was calculated from the 2020 Company's business performance and paid in 2021.

2. Due to Covid-19 pandemic, the Board of Directors had resolution to decrease the monthly remuneration in the rate of 10 percent from April – August 2020 and the Board of Directors had two emergency meetings in April – May 2020 but the Board of Directors had resolution for non-payment in the meeting allowance.

3. Due to Covid-19 pandemic, the Executive Board had resolution for non-payment in the meeting allowance in May 2020.

## 3. Other remunerations

There were no other remunerations other than the monthly remuneration, meeting allowance and bonus.

## Remunerations of Management

### 1. Remuneration in cash for the Company's executives in the form of salary and bonus

| Units : Baht | Number of executives | Y 2020               | Number of executives | Y 2019            |
|--------------|----------------------|----------------------|----------------------|-------------------|
| Salary       | 7                    | 29,446,378.67        | 7                    | 27,966,000        |
| Bonus        | 7                    | 7,333,744.00         | 7                    | 11,275,077        |
| <b>Total</b> | <b>7</b>             | <b>36,780,122.67</b> | <b>7</b>             | <b>39,241,077</b> |

Remark: In 2020, the Management consisted of 7 executives which are Ms. Napatsorn Kitaphanich, Dr. Anotai Mohjhaw, Dr. Cheerawit Sureerattanun, Mr. Patpong Weerasin, Mr. Nuttakajorn Yanpirat, Mr. Thanthach Ritthinam and Mr. Seksom Na Nakornpanom.

## 2. Other remunerations

### Contributions to the Provident Fund

In 2020, the Company paid the following contributions to the Company's executives:

| Units : Baht   | Number of executives | Y 2020       | Number of executives | Y 2019       |
|----------------|----------------------|--------------|----------------------|--------------|
| Provident Fund | 7                    | 1,122,839.22 | 6                    | 1,128,447.40 |

Remark: In 2020, the Management consisted of 7 executives which are Ms. Napatsorn Kitaphanich, Dr. Anotai Mohjhaw, Dr. Cheerawit Sureerattanun, Mr. Patpong Weerasin, Mr. Nuttakajorn Yanpirat, Mr. Thantach Ritthinam and Mr. Seksom Na Nakornpanom.

## Employees

### Number of employees

Number of employees as at December 31, 2020 and at December 31, 2019 of the Company and its subsidiaries are as follows;

| Company                                              | Number of (people) |               |                   |               |
|------------------------------------------------------|--------------------|---------------|-------------------|---------------|
|                                                      | December 31, 2020  |               | December 31, 2019 |               |
|                                                      | Male               | Female        | Male              | Female        |
| 1. Somboon Advance Technology Public Company Limited | 430                | 139           | 491               | 153           |
| 2. Somboon Malleable Iron Industrial Company Limited | 699                | 122           | 826               | 132           |
| 3. Bangkok Spring Industrial Company Limited         | 2                  | 1             | 3                 | 1             |
| 4. International Casting Products Company Limited    | 490                | 51            | 552               | 52            |
| 5. Somboon Forging Technology Company Limited        | 43                 | 4             | 50                | 4             |
| <b>Total</b>                                         | <b>1,664</b>       | <b>317</b>    | <b>1,922</b>      | <b>342</b>    |
| <b>Amount of Employee by type of employment</b>      | <b>Male</b>        | <b>Female</b> | <b>Male</b>       | <b>Female</b> |
| Employee                                             | 1,655              | 313           | 1,882             | 339           |
| Subcontract                                          | 9                  | 4             | 40                | 3             |

Remark: Disabled people are not included.

Number of employees as at December 31, 2020 and at December 31, 2019 of the Company and its subsidiaries can be classified by the primary work as follows:

| Department                                                           | Number of (people) |                   |
|----------------------------------------------------------------------|--------------------|-------------------|
|                                                                      | December 31, 2020  | December 31, 2019 |
| 1. Production Department/ Engineering Laboratory-Jig Shop            | 1,138              | 1,346             |
| 2. Engineering Department                                            | 102                | 96                |
| 3. Maintenance/Warranty/ Planning                                    | 337                | 378               |
| 4. Warehouse Sourcing and Procurement                                | 136                | 131               |
| 5. Human Resources and Administration<br>(including individual BU)   | 59                 | 75                |
| 6. Finance and Accounting                                            | 43                 | 46                |
| 7. Sales and Marketing                                               | 22                 | 29                |
| 8. Quality Development/ Product Development/<br>Development Pprocess | 21                 | 26                |
| 9. Management/ Operations Management                                 | 80                 | 92                |
| 10. Information Technology Department / Division BPI                 | 12                 | 11                |
| 11. Others (CSBD/Legal/SEE/Audit/BOI/SQMR)                           | 31                 | 34                |
| <b>Total</b>                                                         | <b>1,981</b>       | <b>2,264</b>      |

Remark: The Company has not had the labor Union and not have any labor disputes in the past five years.

## Remunerations of employees

### 1. Remuneration in cash for the Company's employees in the form of salary and bonus

| Units :Baht  | Number of employees | Y 2020             | Number of employees | Y 2019             |
|--------------|---------------------|--------------------|---------------------|--------------------|
| Salary       | 1,981               | 586,194,242        | 2,346               | 655,851,575        |
| Bonus        | 1,834               | 102,203,784        | 2,240               | 207,831,578        |
| <b>Total</b> |                     | <b>688,398,026</b> |                     | <b>846,193,871</b> |

### 2. Other remunerations

#### Contributions to the Provident Fund

In 2020, the Company paid the following contributions to the Company's employees:

| Units : Baht   | Number of employees | Y 2020        | Number of employees | Y 2019        |
|----------------|---------------------|---------------|---------------------|---------------|
| Provident Fund | 1,740               | 18,843,781.63 | 1,712               | 22,007,947.39 |

Remark: In 2020, the number of MSA employees are not included.

## Internal Control

In the Board of Directors, there were 3 directors of Audit and Corporate Governance Committee joined the Meeting and expressed opinion on the satisfaction and suitability of the internal Audit control by referring to "evaluation form of satisfaction of internal control system" of the Office of Security and Exchange Commission.

The Audit Committee has reported the internal audit summary and proposition and inspection which focus on the operating inspection so that it would be efficient continuously. There is follow-up to revise according to the audit result report and report to the company board of directors regularly. From the review, the company has sufficient internal control system. The company has arranged sufficient personnel to operate according to the system efficiently and to have internal control system on follow up the work operation supervision of the company in order to prevent the property of the company and subsidiary from the fact that directors or executives had used illegally or without authorization and to enter into a transaction with people who might have conflict and general related people with the important details as follows.

### 1. Internal Audit in the Organization

The Company had specified the clear business operation target and can be measured by specifying the annual budget business plan and clear indicator in creating the value to shareholders and enhance the ability and quality of life of personnel and to have environment friendly process. This would respond to the expectation of customers including the design and product development and responsibility to society by paying incentive reward to personnel and consider from the achievement of the target of personal indicator and profit of the company in order to create the benefit in the development of work operation quality.

Regarding business supervision of the Company, the structure of the supervision consists of the Board of Directors and sub-committee including Executive Board of Directors, Audit and Corporate Governance Committee, and Nomination and Remuneration Committee. Each committee is responsible for shareholders on the business operation of the company and supervise management so that it would be according to the target and has the highest benefit to shareholders and to be in the good ethic frame and be responsible to society, promote and follow up the progress of the good business supervision development process and social responsibility continuously, the consideration to improve CG manual and Code of Conducts and to provide the guideline and other

necessary suggestion in order to improve. In this year, the Company has received which are Thailand Sustainability Investment (THIS) and SET Award of Honor - Excellence in Investor Relations 2017-2020, which is given by the Stock Exchange of Thailand to listed companies that have been awarded best investor relations activities for 4 consecutive years and the Company has continuously received CSR-DIW Continuous from Department of Industrial Works.

According to anti-corruption, the Company has joined the project of Collective Anti-Corruption: CAC by Certified since 2013 and renewly certified for (Recertification) continuously for the third time in 2019. The Company has expanded the result to be the participants to important suppliers of the Company and in order to have continuity, the Company had evaluated the risk related to the corruption inside the company and review the operation according to the policy to the anti-corruption of Thai Private Sector to the anti-corruption in order to confirm that the Company has enough measurement in the protection and fraud and corruption inspection effectively.

### 2. Risk Assessment

The company specifies the risk management policy as important policy by appointing risk management committee in management level including directors and executives performing the duty of evaluating the risk factor from the outside and inside factor affecting the target and business operation of the company and specify risk responsible person in various units and assign risk management of every executives and planning and specifying risk management measure with risk assessment that might affect the business operation and target of the company and arrange follow-up of risk managements of various units in every quarter.

### 3. The Control of the Work Operation

The Board of Directors had appointed 3 sub-committee consisting of the Executive Board of Directors, Audit and Corporate Governance Committee, and Nomination and Remuneration Committee. The 3 groups of committee had performed the work under the scope or duty assigned under the monitoring of the executive.

Moreover, the Audit Committee has considered and reviewed and approve the annual audit plan in order to cover every work operation process with high risk and to cover the anticipation of people related to the Company which makes the Company to be sure that the various agencies had

sufficient control of the work operation on the finance, work operation, law and compliance, rule, regulation, and the anti-corruption. The Audit Committee has considered the important point and the problem found from an inspection by proposing the executive to revise and to have the report of the revision result and prevent measures.

In case of entering into a transaction with business or relevant people which might lead to the conflict of interest between companies and the business or related people with the Company. The business that happens must go through the approving process according to the regulation of the company just like a normal business and related people to the making of item must consider that transaction is reasonable and according to the normal business by considering the highest benefit of the company and shareholders as it is an action with outside people and legal. The business that would bring about the conflict of interest and the said people with interest would not have the right to vote and reveal the information according to the law.

The Company is determined to develop the production process in order to be accepted in the international standard and to focus on safety in the work and environment maintenance. The Company has certified the quality management system "IATF 16949" and "ISO 14001" which has separate section from the production line to perform of the duty of inspecting and following up to comply with rule and specification regularly. As for the business on finance, purchase and procurement, stipulated the staff and executive must comply the Authority Table and "Procurement Control Manual" specified in writing by clearly stated the criteria, condition and the power in approving to pay the money and entering in procurement contract in order to be careful and prevent fraud in money-related transaction.

#### 4. Information Technology and Telecommunication System

To propose the matter for the Board of Directors to consider, the Company has arranged important information so that the Board of Directors would use in the decision-making by making analytical report comparing the principle and reason along with documents and send the information for studying in advance for 7 days. There is secretary of the Company to provide recommendation on the regulation and various rules and supervise the business of the Board of Directors and coordinate so that there would be operation according to the resolution of the Board of Directors and the agency which is the center in making and storing documents including Director registry, Board of Directors Meeting appointment letter, minutes of the Meeting of the Board of director, shareholder meeting

appointment letter and minutes of shareholder meeting orderly so that shareholders can verify the suitability in the work operation of directors.

As for the storing of accounting record and various accounting, the Company would store it completely in every category for transparency and to be work operation information without notification from an auditor that there is a flaw in this matter.

The Audit Committee has considered along with an auditor, internal audit and related people in making the financial statement of the company in every quarter in order to make sure that the company has used accounting policy according to the general accounting principle and suitable with the business type of the company and to reveal suitable information according to the law.

#### 5. Follow-up System

The Company has followed up on the work operation whether it is according to the target by having the Board of Directors, Meeting in 2020 for the total of 12 times and the Executive Board for 9 times in order to follow up the operation in each level starting from the Board of Directors, the Executive Board and Executives in order to follow up the target and supervise the work operation according to the strategy, work plan and the project in the annual business plan that has been approved from the Board of Directors and to solve problems that might happen and to adjust the work plan so that it is consistent with the changed situation and when it is found that the work operation result is different from the specified target and specified the responsible people to present the report in order to review the work operation and analyze the including co-consider to approve the plan to solve problems and to continuous report. The Company has arranged regular internal control system audit. The management would be responsible in supervision of the internal control system and there is Internal Audit Department to inspect and report the result independently to the Audit and Corporate Governance Committee.



## Related Parties

The Company and its subsidiaries related transactions with person(s) who would have been involved in the dispute during the year 2020 2019 and 2018 were as follows;

### Somboon Malleable Iron Industrial Co., Ltd. (SBM)

| Relationship                    | Description of important items             | Total amount remaining<br>(Million Baht) |        |        | Conditions of price/ Necessity                                                                                |
|---------------------------------|--------------------------------------------|------------------------------------------|--------|--------|---------------------------------------------------------------------------------------------------------------|
|                                 |                                            | 2018                                     | 2019   | 2020   |                                                                                                               |
| The Company holds shares 99.99% | <b>List of ordinary transactions</b>       |                                          |        |        |                                                                                                               |
|                                 | 1. SAT sold scraps material to SBM         | 0.71                                     | 0.30   | 0.60   | Market price/ to increase income to SAT by selling scraps material which was normal loss from the production. |
|                                 | 2. SAT sold Semi-finished products to SBM  | 133.85                                   | 148.49 | 114.13 | Market price                                                                                                  |
|                                 | 3. SAT received utilities payment from SBM | 11.99                                    | 12.40  | 8.15   | Price was close to the Cost/ SBM used utilities of SAT                                                        |
|                                 | 4. SAT received management fee from SBM    | 40.14                                    | 42.44  | 27.52  | Price was close to the Cost/ Services for SBM                                                                 |

Remark: Item 1 – 4 are the items indicated in the notes to the financial statement.

### Bangkok Spring Industrial Co., Ltd. (BSK)

| Relationship                    | Description of important items            | Total amount remaining<br>(Million Baht) |        |        | Conditions of price/ Necessity                         |
|---------------------------------|-------------------------------------------|------------------------------------------|--------|--------|--------------------------------------------------------|
|                                 |                                           | 2018                                     | 2019   | 2020   |                                                        |
| The Company holds shares 99.99% | <b>List of ordinary transactions</b>      |                                          |        |        |                                                        |
|                                 | 1. SAT paid utilities fee to BSK          | 4.98                                     | 6.38   | 6.12   | Price was close to the Cost/ SAT used utilities of BSK |
|                                 | 2.SAT received utilities payment from BSK | 0.40                                     | 1.73   | 0.22   | Price was close to the Cost/ SAT used utilities of BSK |
|                                 | 3. SAT received dividends from BSK        | 883.98                                   | 199.30 | 277.80 |                                                        |

Remark: Item 1 – 3 are the items indicated in the notes to the financial statement.

### International Casting Products Co., Ltd. (ICP)

| Relationship                    | Description of important items             | Total amount remaining<br>(Million Baht) |       |       | Conditions of price/ Necessity                                                                                |
|---------------------------------|--------------------------------------------|------------------------------------------|-------|-------|---------------------------------------------------------------------------------------------------------------|
|                                 |                                            | 2018                                     | 2019  | 2020  |                                                                                                               |
| The Company holds shares 99.99% | <b>List of ordinary transactions</b>       |                                          |       |       | <b>Normal Business Transaction</b>                                                                            |
|                                 | 1. SAT sold scraps material to ICP         | 10.75                                    | 7.73  | 3.74  | Market price/ to increase income to SAT by selling scraps material which was normal loss from the production. |
|                                 | 2. SAT received management fee from ICP    | 30.31                                    | 30.89 | 25.40 | Price was close to the Cost/ Services for ICP                                                                 |
|                                 | 3. SAT received utilities payment from ICP | 1.77                                     | 2.28  | 1.63  | Price was close to the Cost/ ICP used utilities of SAT                                                        |

Remark: Item 1 – 3 are the items indicated by the auditor in the notes to the financial statement.

### Somboon Forging Technology Co., Ltd. (SFT)

| Relationship                    | Description of important items               | Total amount remaining<br>(Million Baht) |        |        | Conditions of price/ Necessity                         |
|---------------------------------|----------------------------------------------|------------------------------------------|--------|--------|--------------------------------------------------------|
|                                 |                                              | 2018                                     | 2019   | 2020   |                                                        |
| The Company holds shares 99.99% | <b>List of ordinary transactions</b>         |                                          |        |        | <b>Normal Business Transaction</b>                     |
|                                 | 1. SAT was the short-term loan lender of SFT | 140.00                                   | 220.00 | 220.00 | According to loan agreement                            |
|                                 | 2. SAT received interest of loan from SFT    | 2.87                                     | 5.05   | 4.90   | According to loan agreement                            |
|                                 | 3. SAT received utilities payment from SFT   | 0.64                                     | 0.72   | 0.40   | Price was close to the Cost/ SFT used utilities of SAT |
|                                 | 4. SAT received management fee from SFT      | 10.28                                    | 11.47  | 5.53   | Price was close to the Cost/ Services for SFT          |

Remark: Item 1-4 is the items indicated in the notes to the financial statement

### Tschiyoshi Somboon Coated Sand Co., Ltd.

| Relationship                                                                              | Description of important items                                          | Total amount remaining<br>(Million Baht) |       |       | Conditions of price/ Necessity                               |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------|-------|-------|--------------------------------------------------------------|
|                                                                                           |                                                                         | 2018                                     | 2019  | 2020  |                                                              |
| The Company holds shares through Somboon Malleable Iron Industrial Co., Ltd. (SBM) 21.25% | <b>List of ordinary transactions</b>                                    |                                          |       |       |                                                              |
|                                                                                           | 1. ICP purchased dry sand from Tschiyoshi Somboon Coated Sand Co., Ltd. | 46.58                                    | 42.14 | 30.45 | Market price/ purchase from time to time for the production. |

Remark: Item 1 is the items indicated in the notes to the financial statement.

### Mubea Somboon Automotive Co., Ltd. (MSA)

| Relationship                    | Description of important items                        | Total amount remaining<br>(Million Baht) |        |        | Conditions of price/ Necessity                                              |
|---------------------------------|-------------------------------------------------------|------------------------------------------|--------|--------|-----------------------------------------------------------------------------|
|                                 |                                                       | 2018                                     | 2019   | 2020   |                                                                             |
| The Company holds shares 50.00% | <b>List of ordinary transactions</b>                  |                                          |        |        |                                                                             |
|                                 | 1. SAT was the short-term loan lender of MSA          | 200.00                                   | 200.00 | 200.00 | According to loan agreement                                                 |
|                                 | 2. SAT had management service agreement with MSA      | 14.36                                    | 12.34  | 12.23  | According to the agreement/ provide management service                      |
|                                 | 3. SAT received interest of loan from MSA             | 8.99                                     | 7.00   | 6.66   | According to loan agreement                                                 |
|                                 | 4. SAT received utilities payment from MSA            | 1.68                                     | 1.44   | 2.79   | Price was close to the Cost/ MSA used utilities of SAT                      |
|                                 | 5. BSK had land and building lease agreement with MSA | 20.11                                    | 16.22  | 15.54  | According to the agreement/ the service relating to land and building lease |
|                                 | 6. BSK received utilities payment from MSA            | 16.38                                    | 14.39  | 4.39   | Price was close to the Cost/ MSA used utilities of BSK                      |

Remark: Item 1-6 is the items indicated by the auditor in the notes to the financial statement.

### Nippon Kikai Engineering Co., Ltd. (NKE)

| Relationship                                                                      | Description of important items               | Total amount remaining<br>(Million Baht) |       |       | Conditions of price/ Necessity                         |
|-----------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------|-------|-------|--------------------------------------------------------|
|                                                                                   |                                              | 2018                                     | 2019  | 2020  |                                                        |
| The Company holds shares through Bangkok Spring Industrial Co., Ltd. (BSK) 51.00% | <b>List of ordinary transactions</b>         |                                          |       |       |                                                        |
|                                                                                   | 1. BSK was the short-term loan lender of NKE | -                                        | 30.00 | 30.00 | According to loan agreement                            |
|                                                                                   | 2. BSK received interest of loan from NKE    | -                                        | 0.20  | 2.01  | According to loan agreement                            |
|                                                                                   | 3. SAT paid product and service cost to NKE  | -                                        | 7.94  | 1.47  | Price was close to the Cost/ price under the agreement |

Remark: Item 1-3 is the items indicated by the auditor in the notes to the financial statement.

### Yongkee Co., Ltd.

| Relationship                                                   | Description of important items                 | Total amount remaining<br>(Million Baht) |       |       | Conditions of price/ Necessity                           |
|----------------------------------------------------------------|------------------------------------------------|------------------------------------------|-------|-------|----------------------------------------------------------|
|                                                                |                                                | 2018                                     | 2019  | 2020  |                                                          |
| The Company and Somboon holding Co., Ltd. jointly hold shares. | <b>List of ordinary transactions</b>           |                                          |       |       |                                                          |
|                                                                | 1. BSK and SAT sold goods to Yongkee Co., Ltd. | 11.21                                    | 13.17 | 11.38 | Approximates market prices/ sales as the normal business |

Remark: Item 1 is the items indicated in the notes to the financial statement.

### Somboon Holding Co., Ltd. (SBH)

| Relationship                                            | Description of important items                                         | Total amount remaining<br>(Million Baht) |       |       | Conditions of price/ Necessity                                                                                                                                                           |
|---------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------|-------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         |                                                                        | 2018                                     | 2019  | 2020  |                                                                                                                                                                                          |
| Major shareholders of the Company holding 30% of shares | <b>List of ordinary transactionst</b>                                  |                                          |       |       |                                                                                                                                                                                          |
|                                                         | 1. BSK received utilities fee from Somboon Holding Co., Ltd.           | 0.14                                     | 0.14  | 0.16  | Price was close to the Cost/ SBH used utilities of BSK                                                                                                                                   |
|                                                         | 2. SAT had management service agreement with Somboon Holding Co., Ltd. | 19.50                                    | 19.50 | 17.03 | According to the service provider's actual cost allocated to the services as mutually agreed / considering mainly on the long term expertise in managing automotive manufacturing parts. |

Remark: Item 1-2 is the items indicated in the notes to the financial statement.

# Report of the Audit and Corporate Governance Committee

To: Shareholders of Somboon Advance Technology Public Co., Ltd.

The Audit Committee consists of 3 independent qualified members where one of them is knowledgeable and experienced in accountancy. The Audit Committee performs duties in accordance with the scope of their responsibilities assigned by the Company Board of Directors which is compatible with the Capital Market Commission Notification and Requirements of the Stock Exchange of Thailand.

In 2020, the Audit Committee held a total of 5 meetings and regularly reported to the Company Board of Directors the operational result every quarter. Each Audit Committee member attended the meetings detailed as follows:

|                         |                                                                             |
|-------------------------|-----------------------------------------------------------------------------|
| Dr. Panja Senadisai     | Chairman of Audit and Corporate Governance Committee attending 5/5 meetings |
| Mr. Paitoon Taveebhol   | Director of Audit and Corporate Governance Committee attending 5/5 meetings |
| Dr. Suthad Setboonsarng | Director of Audit and Corporate Governance Committee attending 5/5 meetings |

In each meeting, the Audit Committee jointly made discussions with the Management, Auditor and Internal Auditor in accordance with the reasonable Agenda in the meeting every time. The Audit Committee made a report, expressed their opinions, and gave recommendations independently which can be materially concluded as follows:

## Correction, completeness and credibility of financial report

The audit committee had verified the financial statement on each quarter and financial budget of year 2020, important accounting policy and significant financial report by reviewing according to accounting standard specified by accounting council including to reveal sufficient information.

## Sufficiency of the inside control system, internal audit, risk management and good business management

Audit committee had reviewed the report of the audit result of internal audit and auditor on the internal control evaluation to review the company to manage the risk and supervise good business and provide recommendations for

development and follow up the improvement of the work operation of executives according to recommendation in related business. The audit committee had the opinion that the internal audit of the company is sufficient and suitable.

The audit committee had reviewed and approved the annual internal audit made by using risk-based foundation. Said work operation result and discussion with the head of internal audit regularly so the audit committee had the opinion that internal audit is independent in the work operation.

Moreover, the company promoted and followed up on the progress and development process of good business management and continuous social responsibility, consideration of new CG to be consistent with CG Code which started to be effective on the year 2017.

In addition, there was supervision for the Company risk management to have management process, suitable standard risk, efficiency and effectiveness by receiving the risk management result report in last year, improvement recommendation and various risk viewpoints.

## Supervision on anti-corruption

After the Company received the certification to be a Thai private sector operation member in fighting corruption and corruption on July 5, 2013 and wenewly certified continuously for the third time on November 4, 2019. The Audit and Corporate Governance Committee had prioritized the operation supervision according to fighting corruption method by assigning the internal audit to review the operation according to fighting corruption criteria.

## Related items or items that might have conflict of interest

The Audit and Corporate Governance Committee had audited the financial budget and important financial activity between the Company and subsidiaries or joint company by prioritizing an importantly-related transactions or transactions that might have Conflict of Interest to follow the Law and specification of the Stock Exchange of Thailand. The Audit and Corporate Governance Committee saw that related transactions could be normal business with general trade condition, reasonableness, fairness and highest benefits to the Company.

#### **Suitability of auditor, consideration, selection and proposition of auditor**

The Audit and Corporate Governance Committee had evaluated the independence and work operation result of the year 2020. The overall work operating evaluation was in a good level. Auditor had enough independence. The Audit and Corporate Governance Committee had discussed with an auditor without management for one time to know the auditor opinion on the work operation for auditing of operation problem relating to management department.

The consideration for choosing and appointing the auditor for the year 2021, the Audit and Corporate Governance Committee had considered the work operating result, scope, work experience, knowledge, ability, credibility, sufficiency of an audited work resource including independence of auditor comparing to auditing suitable cost for the year 2021. Therefore, the Audit and Corporate Governance Committee was approved to the Board of Directors to propose in the shareholders meeting to appoint an auditor of KPMG Phumchai Audit Co., Ltd. as the auditor to audit and comment to the company financial statement and subsidiary for the year 2021.

#### **Compliance with the law on stock and stock exchange, specification of stock exchange and related law on the business of the company.**

The Audit and Corporate Governance Committee had audited compliance on Securities and Exchange Law, the regulation of the Stock Exchange of Thailand and the related Law to the Company business and follow up the management revision guideline regularly. The Audit and Corporate Governance Committee saw that the Company had followed the Securities and Exchange Law, the regulation of the Stock Exchange of Thailand and the related Law to the Company business strictly and regularly.

#### **Opinion and overall observation from performing the operation according to the charter of the audit committee**

Audit and Corporate Governance Committee had evaluated their own performance and Corporate Governance Committee

in each committee for the year 2020 by evaluating the overall duty and specific duty including 1) review to the company that there is correct and sufficient report 2) review for the company for internal audit and efficient and effective internal audit 3) consideration of related items or items that might have conflict of interest 4) Consideration to select and propose to appoint an auditor 5) review of the company to follow the law on stock and stock exchange, specification of the stock exchange of Thailand and the law relating to the business of the company and 6) report making of audit committee.

The Audit and Corporate Governance Committee had overall opinion that have performed the duty and responsibility specified in the charter. The audit committee had been approved from the committee of the company sufficiently by using the knowledge, ability, care, and sufficient independence for the benefit of people with interest equally.



**Dr. Panja Senadisai**

Chairman of Audit  
and  
Corporate Governance Committee

# Report of Nomination and Remuneration Committee for Directors and Executives

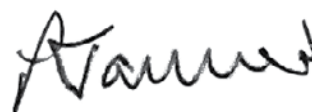
Nomination and Remuneration for Directors and Executive consists of three members which are Independent directors. Mr. Paitoon Taveebhol is the Chairman of such committee and there are the independent directors performing the duty in the Nomination and Remuneration Committee for Directors and Executives namely; Dr. Panja Senadisai and Mr. Ajarin Sarasas.

In 2020, the Nomination and Remuneration Committee had 3 meetings. Every director joined the meeting every time in order to follow up and consider the important matters that assigned from the Board of Directors as follows:

1. To review the role, duty and responsibility of the Nomination and Remuneration Committee.
2. To review the policies on the nomination and remuneration and significant criteria as follows:
  - 2.1 Criteria and nomination of directors process and the appointing of executives.
  - 2.2 To select and nominate the persons as directors with suitable qualifications to the Board of Directors.
  - 2.3 Criteria of adjusting the wage and incentive to be consistent and reflect the actual work operation and suitable with the economic situation and the industrial trend.
  - 2.4 To review the remuneration structure and other

benefits of directors in order to be consistent with the responsibilities and the operation of directors.

- 2.5 To review the policy and criteria of director remuneration by
  - 2.5.1 The scope of responsibilities and performance of directors
  - 2.5.2 Information comparing with other companies in the same industry having same capacity and nature of business, and a report on directors' remuneration conducted by the Thai Institute of Directors (IOD).
- 2.6 To specify the policy of the Corporate Social Responsibility and Sustainable Development
- 2.7 To promote, support and open an opportunity for minor shareholders to take part in supervising the business and to give the opinions on the business operation, propose the agenda and persons for being considered to be elected as directors instead of direct who retired by rotation for the Year 2021 as required by recruitment process not less than 90 days in advance from September 28, 2020 to December 31, 2020 through the website of the Company.



**Mr. Paitoon Taveebhol**

Chairman of Nomination and Remuneration  
Committee for Directors and Executives

## Report of Board of Directors' Responsibility for Financial Report

The management has prepared the financial statement ended on December 31, 2020 according to the generally certified accounting standard by choosing to use the appropriate and regularly used policy including using judgment carefully and reasonably in preparation of financial statement and disclose the important information adequately in the remarks of the financial statement.

The board of directorse realized the responsibility for supervising the financial report to be efficient by appointing an audit and corporate governance committee consisting of qualified persons to be responsible for supervision of the quality of the financial report to be accurate and complete, using appropriate and regularly used policy including validation to have the company got sufficient and appropriate internal control system and participation in evaluation of risk for the company. In order to protect and reduce risks which may occur from fraudulent or abnormal operation significantly and adequacy to maintain the company asset.

From the practical methods and supervision mentioned above, the committee agreed that the financial of Somboon Advance Technology Public Company Limited as at December 31, 2020 has shown the financial statement and operational results correctly, reliably, compliance with the generally certified accounting standard and practiced in accordance with the laws and related regulations.



**Mr. Sansern Wongcha-um**  
Chairman



**Ms. Napatsorn Kitaphanich**  
President

# Explanation and Analysis of the Financial Position and Performance

## Overall performance

The Company and its subsidiaries have operated the business of Automotive manufacturing parts. The main income of the company group is from selling automotive parts such as Axle shaft, disc brake, drum brake, etc. The sale is for car maker manufacturer (Original - Equipment Manufacturer) in the country mostly.

## Profit and loss analysis

### • Profit Analysis

In the year 2020 and 2019, the Company has total income of 6,027 million baht and 8,199 million baht (accordingly) which has decreased by 2,172 million baht or 26%. The net income from sale of goods and rendering of services for the year 2020 is 5,883 million baht, decreased by 2,123 million baht or 27% from the same period last year. This can be explained by, the revenue from sale of goods and rendering of services of the year 2020 would have been lower compared to the same period last year driven decrease in automotive industry's production volume and decrease in agricultural machineries industry's production volume as an impact of COVID-19 outbreak.

## Cost and expense Analysis

### • Selling and Service Cost

In the year 2020 and 2019, the company has the total selling and service cost of 4,991 million baht and 6,512 million baht (accordingly), decreased by 1,521 million baht or 23%; decrease compared to last year as due to lower sale volume.

### • The expense from selling and service

In the year 2020, the company has the expense in the selling and service of management for the amount of 615 million baht, decreased by 121 million baht or 16% due to decrease in cost control measures.

### • Corporate income tax

In the year 2020, the company has corporate income tax for the amount of 40 million baht, decreased 60 million baht or 60% mainly from decrease in profit management.

### • Profit from the work operation

The company's operating profit, excluding share of profit from investment in associates, financial cost, and corporate income tax in 2020 in the amount of 420 million baht, decreased by 530 million baht from last year or 56% due to lower of profit from operation.

### • Net Profit

The company's net profit is the amount of 375 million baht, increased by 524 million baht or 58% from the previous year, mainly from lower production volume of the automotive industry and agricultural machinery industry as an impact of COVID-19 outbreak.

## Financial position analysis

### • Asset

According to the consolidated financial statement the total asset as at 31 December 2020 and 31 December 2019, are the amount of 8,955 million baht and 9,311 million baht (accordingly), decreased by 356 million baht or 4% mainly from Trade account receivable of Baht 154 million, and Fixed Assets of Baht 193 million (the depreciation for the year was Baht 620 million while the additional investment was Baht 395 million).

### • Trade customers

The Company has net trade receivables as at 31 December 2020 for the amount of 1,206 million baht and as at 31 December 2019 for the amount of 1,359 million baht, decreased by 153 million baht. The average debt collection period was 80 days.

### • Investments

According to the consolidated financial statements as at 31 December 2020, the Company's net investment in related companies is the amount of 867 million baht. The investments in associates included Yamada Somboon Co., Ltd. and Tsuchiyoshi Somboon Coated Sand Co., Ltd. The investments in joint venture is Mubea Somboon Automotive Co., Ltd. and the other related investments are Nisshinbo Somboon Automotive Co., Ltd. and Somboon Somic Manufacturing Co., Ltd. The Company's cost of investment in the afore-mentioned companies is for the amount of 423 million baht.

- **Land, Property and Equipment**

The Company's land, property and equipment as at 31 December 2020 is the amount of 3,403 million baht, and as at 31 December 2019 is the amount of 3,596 million baht, decreased by 193 million baht or 5% due to the depreciation on period for the amount of 620 million baht. The Company and subsidiaries has made additional investment totaling of 395 million baht in production line to improved productivity.

- **Debt**

As at 31 December 2020, the Company's total liabilities is 1,865 million baht. The short-term liabilities is 1,501 million baht and long-term liabilities is 364 million baht, decreased by 244 million baht or 12% from the previous year. The long-term loans from financial institution decrease by 91 million baht and the short-term loans decrease by 97 million baht due to the repayment.

- **Part of shareholders**

- **Capital structure**

The Company's shareholders' equity as at 31 December 2020 is 7,091 million baht, decreased by 112 million baht from the year ended 31 December 2019 of which the shareholders' equity equal to 7,203 million baht. This is the result of the interim operating profit and Non-Controlling interest of Baht 48 million.

The company's profit appropriation in 2020 includes dividends for 2020 operating at the rate of 0.60 baht per share, totaling 255 million baht. The interim dividends at the rate of Baht 0.12 per share, in amounting to Baht 51 million were paid in September 2020. Therefore, the remaining dividends of Baht 0.48 per share, in amounting to Baht 204 million will be paid to shareholders in May 2021.

The company's profit appropriation in 2019 includes dividends for 2019 operating and retained earnings at the rate of 1.35 baht per share, totaling 574 million baht. The dividend will be paid from paid from the operation for the year 2019 at the rate of Baht 1.25 per share, in amounting to Baht 532 million and the retain earnings at the rate of Baht 0.10 per share, in amounting to Baht 42 million. The interim dividends at the rate of Baht 0.35 per share, in amounting to Baht 149 million

were paid in September 2019. Therefore, the remaining dividends of Baht 1.00 per share, in amounting to Baht 425 million will be paid to shareholders in May 2020.

As at 31 December 2020, the company's capital structure consists of total liability for the amount of 1,865 million baht and the shareholders' equity for the amount of 7,091 million baht; the debt-to-equity ratio is approximately 0.26 times.

## **Analysis of Cash Flow Statement**

According to the consolidated financial statements as at 31 December 2020 and 31 December 2019, the company's net cash inflow from operating activities is 1,029 million baht and 1,297 million baht (respectively). The company's net cash outflow from investing activities is 59 million baht and 237 million baht (respectively), this is the result of the investment in production line, to enhance productivity capacity. Net cash outflow from financing activities is 692 million baht and 721 million baht (respectively), which is the result of the repaid long-term loan for investment project for the amount of 187 million baht and the total cash dividend paid for the amount of 476 million baht.

## **Main factors and influences that might effect on operation and financial status in the future**

The situation of COVID19 has significantly affected the economy and industries in Thailand. In 2020 automotive industry, the overall automotive market has contracted by 29.14% since 2019. With the domestic automotive sales decreased by 26.03% and the automotive export sales decreased by 32.06%, the total number of automotive production was at 1.42 million cars in 2019. However, the agricultural machinery market, especially tractors and harvesters, has slightly declined about 10%. The COVID19 have moderately impact on the Somboon group's revenue for the 2020 as well as its earnings. Thereby, the Somboon group is developing its ability to design system for automotive and agricultural parts production, new technologies include automation system, installation and connection systems, production engineering, as well as the development of cooperation to increase value of products. These are to compete in costs and technology. Meanwhile, the companies have also improved personal management strategy together with the companies' sustainable growth.



# **Somboon Advance Technology Public Company Limited and its Subsidiaries**

**Financial statements for the year ended  
31 December 2020  
and  
Independent Auditor's Report**

# Independent Auditor's Report

To the Shareholders of Somboon Advance Technology Public Company Limited

## Opinion

I have audited the consolidated and separate financial statements of Somboon Advance Technology Public Company Limited and its subsidiaries (the "Group") and of Somboon Advance Technology Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## 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 issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Valuation of inventories                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Refer to Note 3(g) and 8 to the financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How the matter was addressed in the audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>Financial performance of the Group is mainly dependent upon the automotive market and car manufacturers. Sales volume of each product of the Group depends on demand of each car model which can vary. Fluctuations on sale of car manufacturers may result in slow-moving inventories especially supplies and spare parts for machinery. The management has to use judgment in order to set up policy for allowance of decline in value for each aging of inventories.</p> <p>I focused on net realisable value of inventories because this account is significant and involves significant estimation and judgment of the management. Therefore, I considered this matter as key audit matter.</p> | <p>Our audit procedures performed included:</p> <ul style="list-style-type: none"><li>• inquiring of the management in order to understand the Group's policy in relation to the estimating of the net realisable value of inventories;</li><li>• understanding the nature of internal controls regarding inventory management, tested the design and implementation of control, observing inventory count and test sampling the condition of inventories;</li><li>• testing the inventory aging report by, on a test basis, inspecting supporting documents to assess an appropriateness of aging classification as well as testing the calculation of allowance for decline in value whether it is in accordance with the Group's policy;</li><li>• testing net realisable value with sales document and associated selling expenses on a test basis; and</li><li>• assessing adequacy of disclosures in the financial statements according to TFRSs.</li></ul> |

## Other Information

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

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information 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 those charged with governance and request that the correction be made.

## Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the 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 judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Sakda Kaothanthong)  
Certified Public Accountant  
Registration No. 4628

KPMG Phoomchai Audit Ltd.  
Bangkok  
18 February 2021

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Financial Position

| Assets                                      | Note   | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|---------------------------------------------|--------|--------------------------------------|----------------------|----------------------------------|----------------------|
|                                             |        | 31 December                          |                      | 31 December                      |                      |
|                                             |        | 2020                                 | 2019                 | 2020                             | 2019                 |
|                                             |        | (in Baht)                            |                      |                                  |                      |
| <b>Current assets</b>                       |        |                                      |                      |                                  |                      |
| Cash and cash equivalents                   | 6      | 1,980,513,100                        | 1,702,734,121        | 422,778,504                      | 415,089,626          |
| Other current financial assets              | 26     | 350,086,260                          | 660,243,943          | 100,000,000                      | 256,041,130          |
| Trade accounts receivable                   | 5, 26  | 1,206,210,436                        | 1,359,181,658        | 419,692,464                      | 414,299,585          |
| Other receivables                           | 5, 7   | 104,934,469                          | 88,825,978           | 68,473,037                       | 75,262,600           |
| Short-term loans to related parties         | 5, 26  | 200,000,000                          | 200,000,000          | 420,000,000                      | 420,000,000          |
| Inventories                                 | 8      | 564,882,146                          | 569,758,373          | 134,797,406                      | 112,141,933          |
| <b>Total current assets</b>                 |        | <b>4,406,626,411</b>                 | <b>4,580,744,073</b> | <b>1,565,741,411</b>             | <b>1,692,834,874</b> |
| <b>Non-current assets</b>                   |        |                                      |                      |                                  |                      |
| Restricted deposit at financial institution | 14, 26 | 25,157,866                           | 24,955,154           | -                                | -                    |
| Investments in associates                   | 9      | 510,921,470                          | 515,339,544          | -                                | -                    |
| Investments in subsidiaries                 | 10     | -                                    | -                    | 2,542,012,202                    | 2,542,012,202        |
| Investments in joint venture                | 9      | 356,146,280                          | 347,071,375          | 365,499,900                      | 350,500,100          |
| Other non-current financial assets          | 26     | 26,651,146                           | 26,651,146           | -                                | -                    |
| Investment properties                       | 11     | 58,561,500                           | 58,561,500           | -                                | -                    |
| Property, plant and equipment               | 12     | 3,403,146,187                        | 3,596,205,201        | 1,066,710,101                    | 1,011,827,130        |
| Goodwill                                    |        | 44,590,813                           | 44,590,813           | -                                | -                    |
| Intangible assets                           | 13     | 25,669,797                           | 29,360,166           | 9,723,949                        | 13,755,118           |
| Deferred tax assets                         | 22     | 58,393,849                           | 57,779,426           | 26,202,530                       | 19,805,984           |
| Other non-current assets                    |        | 39,442,601                           | 30,231,926           | 4,090,877                        | 3,798,569            |
| <b>Total non-current assets</b>             |        | <b>4,548,681,509</b>                 | <b>4,730,746,251</b> | <b>4,014,239,559</b>             | <b>3,941,699,103</b> |
| <b>Total assets</b>                         |        | <b>8,955,307,920</b>                 | <b>9,311,490,324</b> | <b>5,579,980,970</b>             | <b>5,634,533,977</b> |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Financial Position

|                                                      |           | Consolidated<br>financial statements |                      | Separate<br>financial statements |                    |
|------------------------------------------------------|-----------|--------------------------------------|----------------------|----------------------------------|--------------------|
|                                                      |           | 31 December                          |                      | 31 December                      |                    |
| Liabilities and equity                               | Note      | 2020                                 | 2019                 | 2020                             | 2019               |
|                                                      |           | (in Baht)                            |                      |                                  |                    |
| <b>Current liabilities</b>                           |           |                                      |                      |                                  |                    |
| Bank overdrafts and short-term loans                 |           |                                      |                      |                                  |                    |
| from financial institutions                          | 26        | 12,210,081                           | 108,898,301          | -                                | -                  |
| Trade accounts payable                               | 5, 26     | 974,474,847                          | 885,395,646          | 351,190,651                      | 286,788,506        |
| Other payables                                       | 5, 15, 26 | 362,726,585                          | 454,200,020          | 108,036,025                      | 121,029,953        |
| Accounts payable - purchase of assets                |           | 56,237,501                           | 49,436,801           | 14,351,559                       | 7,692,811          |
| Current portion of long-term loans                   |           |                                      |                      |                                  |                    |
| from financial institutions                          | 14, 26    | 58,797,483                           | 90,401,673           | 43,428,000                       | 43,428,000         |
| Current portion of lease liabilities                 |           |                                      |                      |                                  |                    |
| (2019: Current portion of finance lease liabilities) | 14        | 14,225,511                           | 1,059,587            | 6,075,007                        | -                  |
| Income tax payable                                   |           | 22,089,326                           | 46,117,537           | 17,092,255                       | 19,752,983         |
| <b>Total current liabilities</b>                     |           | <b>1,500,761,334</b>                 | <b>1,635,509,565</b> | <b>540,173,497</b>               | <b>478,692,253</b> |
| <b>Non-current liabilities</b>                       |           |                                      |                      |                                  |                    |
| Long-term loans from financial institutions          | 14, 26    | 58,572,477                           | 117,559,528          | 48,214,630                       | 91,642,630         |
| Lease liabilities                                    |           |                                      |                      |                                  |                    |
| (2019: Finance lease liabilities)                    | 14        | 11,402,194                           | 4,324,718            | 3,342,776                        | -                  |
| Non-current provisions for employee benefits         | 16        | 292,877,441                          | 349,990,874          | 125,354,278                      | 130,989,506        |
| Other non-current liabilities                        |           | 951,213                              | 817,420              | 967,980                          | 834,190            |
| <b>Total non-current liabilities</b>                 |           | <b>363,803,325</b>                   | <b>472,692,540</b>   | <b>177,879,664</b>               | <b>223,466,326</b> |
| <b>Total liabilities</b>                             |           | <b>1,864,564,659</b>                 | <b>2,108,202,105</b> | <b>718,053,161</b>               | <b>702,158,579</b> |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Financial Position

| Liabilities and equity              | Note | Consolidated<br>financial statements |                      | Separate<br>financial statements |                      |
|-------------------------------------|------|--------------------------------------|----------------------|----------------------------------|----------------------|
|                                     |      | 31 December                          |                      | 31 December                      |                      |
|                                     |      | 2020                                 | 2019                 | 2020                             | 2019                 |
|                                     |      | (in Baht)                            |                      |                                  |                      |
| <b>Equity</b>                       |      |                                      |                      |                                  |                      |
| Share capital                       | 17   |                                      |                      |                                  |                      |
| Authorised share capital            |      | 425,193,894                          | 425,193,894          | 425,193,894                      | 425,193,894          |
| Issued and paid-up share capital    |      | 425,193,894                          | 425,193,894          | 425,193,894                      | 425,193,894          |
| Premium on ordinary shares          | 17   | 716,443,452                          | 716,443,452          | 716,443,452                      | 716,443,452          |
| Retained earnings                   |      |                                      |                      |                                  |                      |
| Appropriated                        | 18   |                                      |                      |                                  |                      |
| Legal reserve                       |      | 55,671,181                           | 55,671,181           | 42,671,181                       | 42,671,181           |
| Unappropriated                      |      | 5,844,965,198                        | 5,960,657,018        | 3,677,619,282                    | 3,748,066,871        |
| <b>Total equity</b>                 |      | <b>7,042,273,725</b>                 | <b>7,157,965,545</b> | <b>4,861,927,809</b>             | <b>4,932,375,398</b> |
| Non-controlling interests           |      | 48,469,536                           | 45,322,674           | -                                | -                    |
| <b>Total equity</b>                 |      | <b>7,090,743,261</b>                 | <b>7,203,288,219</b> | <b>4,861,927,809</b>             | <b>4,932,375,398</b> |
| <b>Total liabilities and equity</b> |      | <b>8,955,307,920</b>                 | <b>9,311,490,324</b> | <b>5,579,980,970</b>             | <b>5,634,533,977</b> |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Income

|                                                                                   |           | Consolidated           |                      | Separate               |                      |
|-----------------------------------------------------------------------------------|-----------|------------------------|----------------------|------------------------|----------------------|
|                                                                                   |           | financial statements   |                      | financial statements   |                      |
|                                                                                   |           | Year ended 31 December |                      | Year ended 31 December |                      |
|                                                                                   | Note      | 2020                   | 2019                 | 2020                   | 2019                 |
|                                                                                   |           | (in Baht)              |                      |                        |                      |
| <b>Income</b>                                                                     |           |                        |                      |                        |                      |
| Revenue from sale of goods and rendering of services                              | 5, 19, 23 | 5,882,559,090          | 8,005,588,435        | 1,884,678,029          | 2,547,969,975        |
| Net foreign exchange gain                                                         |           | 423,836                | 220,269              | 4,064,774              | -                    |
| Dividend income                                                                   | 5, 10     | 2,386,375              | 54,276,213           | 277,797,856            | 199,297,858          |
| Other income                                                                      | 5         | 141,426,105            | 138,502,718          | 124,341,705            | 180,422,749          |
| <b>Total income</b>                                                               |           | <b>6,026,795,406</b>   | <b>8,198,587,635</b> | <b>2,290,882,364</b>   | <b>2,927,690,582</b> |
| <b>Expenses</b>                                                                   |           |                        |                      |                        |                      |
| Cost of sale of goods and rendering of services                                   | 5         | 4,991,430,895          | 6,512,033,328        | 1,520,363,675          | 1,931,841,647        |
| Distribution costs                                                                | 5         | 118,968,443            | 140,486,775          | 59,566,972             | 76,628,520           |
| Administrative expenses                                                           | 5         | 496,477,300            | 595,720,721          | 275,260,159            | 358,182,197          |
| Net foreign exchange loss                                                         |           | -                      | -                    | -                      | 3,922,145            |
| Finance costs                                                                     |           | 7,752,348              | 10,664,327           | 3,284,795              | 5,044,975            |
| <b>Total expenses</b>                                                             |           | <b>5,614,628,986</b>   | <b>7,258,905,151</b> | <b>1,858,475,601</b>   | <b>2,375,619,484</b> |
| Share of profit of joint venture and associates accounted for using equity method | 9         | 2,833,031              | 58,741,729           | -                      | -                    |
| <b>Profit before income tax expense</b>                                           |           | <b>414,999,451</b>     | <b>998,424,213</b>   | <b>432,406,763</b>     | <b>552,071,098</b>   |
| Tax expense                                                                       | 22        | (40,236,316)           | (99,758,461)         | (22,501,655)           | (51,482,384)         |
| <b>Profit for the year</b>                                                        |           | <b>374,763,135</b>     | <b>898,665,752</b>   | <b>409,905,108</b>     | <b>500,588,714</b>   |
| <b>Basic earnings per share (Baht)</b>                                            | 24        | <b>0.87</b>            | <b>2.10</b>          | <b>0.96</b>            | <b>1.18</b>          |
| <b>Profit and total comprehensive income attributable to</b>                      |           |                        |                      |                        |                      |
| Owners of the parent                                                              |           | 371,201,647            | 894,639,797          | 409,905,108            | 500,588,714          |
| Non-controlling interests                                                         |           | 3,561,488              | 4,025,955            | -                      | -                    |
| <b>Profit for the year</b>                                                        |           | <b>374,763,135</b>     | <b>898,665,752</b>   | <b>409,905,108</b>     | <b>500,588,714</b>   |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Comprehensive Income

|                                                                        | Consolidated<br>financial statements |                     | Separate<br>financial statements |                     |
|------------------------------------------------------------------------|--------------------------------------|---------------------|----------------------------------|---------------------|
|                                                                        | Year ended 31 December               |                     | Year ended 31 December           |                     |
|                                                                        | 2020                                 | 2019                | 2020                             | 2019                |
|                                                                        | (in Baht)                            |                     |                                  |                     |
| <b>Profit for the year</b>                                             | <b>374,763,135</b>                   | <b>898,665,752</b>  | <b>409,905,108</b>               | <b>500,588,714</b>  |
| <b>Other comprehensive income</b>                                      |                                      |                     |                                  |                     |
| <i>Items that will not be reclassified to profit or loss</i>           |                                      |                     |                                  |                     |
| Losses on remeasurements of defined benefit plans                      | (12,911,033)                         | (58,428,633)        | (5,183,875)                      | (26,360,158)        |
| Income tax relating to items that will not be reclassified             | 1,810,681                            | 8,798,831           | 1,036,775                        | 3,822,223           |
| <b>Total items that will not be reclassified<br/>to profit or loss</b> | <b>(11,100,352)</b>                  | <b>(49,629,802)</b> | <b>(4,147,100)</b>               | <b>(22,537,935)</b> |
| <b>Other comprehensive income<br/>for the year, net of tax</b>         | <b>-11,100,352</b>                   | <b>-49,629,802</b>  | <b>(4,147,100)</b>               | <b>(22,537,935)</b> |
| <b>Total comprehensive income<br/>for the year</b>                     | <b>363,662,783</b>                   | <b>849,035,950</b>  | <b>405,758,008</b>               | <b>478,050,779</b>  |
| <b>Total comprehensive income attributable to</b>                      |                                      |                     |                                  |                     |
| Owners of the parent                                                   | 360,515,921                          | 845,332,381         | 405,758,008                      | 478,050,779         |
| Non-controlling interests                                              | 3,146,862                            | 3,703,569           | -                                | -                   |
| <b>Total comprehensive income for the year</b>                         | <b>363,662,783</b>                   | <b>849,035,950</b>  | <b>405,758,008</b>               | <b>478,050,779</b>  |

The accompanying notes are an integral part of these financial statements

**Somboon Advance Technology Public Company Limited  
and its Subsidiaries**  
Statement of Changes in equity

| Consolidated financial statements                           |      |                                  |                |               |                                             |                           |               |                          |
|-------------------------------------------------------------|------|----------------------------------|----------------|---------------|---------------------------------------------|---------------------------|---------------|--------------------------|
|                                                             | Note | Retained earnings                |                |               | Equity attributable to owners of the parent | Non-controlling interests | Total equity  |                          |
|                                                             |      | Issued and paid-up share capital | Shares premium | Legal reserve |                                             |                           |               | Unappropriated (in Baht) |
|                                                             |      |                                  |                |               |                                             |                           |               |                          |
| Year ended 31 December 2019                                 |      |                                  |                |               |                                             |                           |               |                          |
| Balance at 1 January 2019                                   |      | 425,193,894                      | 716,443,452    | 55,671,181    | 5,689,331,230                               | 6,886,639,757             | 6,886,639,757 |                          |
| Transactions with owners, recorded directly in equity       |      |                                  |                |               |                                             |                           |               |                          |
| Distributions to owners of the Company                      |      |                                  |                |               |                                             |                           |               |                          |
| Dividends to owners of the Company                          | 25   | -                                | -              | -             | (574,006,593)                               | (574,006,593)             | (574,006,593) |                          |
| Total distributions to owners of the Company                |      | -                                | -              | -             | (574,006,593)                               | (574,006,593)             | (574,006,593) |                          |
| Changes in ownership interests in subsidiaries              |      |                                  |                |               |                                             |                           |               |                          |
| Acquisition of non-controlling interests                    |      | -                                | -              | -             | -                                           | -                         | 41,619,105    |                          |
| ownership interests in subsidiaries                         |      | -                                | -              | -             | -                                           | -                         | 41,619,105    |                          |
| Total transactions with owners, recorded directly in equity |      | -                                | -              | -             | (574,006,593)                               | (574,006,593)             | (532,387,488) |                          |
| Comprehensive income for the year                           |      |                                  |                |               |                                             |                           |               |                          |
| Profit                                                      |      | -                                | -              | -             | 894,639,797                                 | 894,639,797               | 898,665,752   |                          |
| Other comprehensive income                                  |      | -                                | -              | -             | (49,307,416)                                | (49,307,416)              | (49,629,802)  |                          |
| Total comprehensive income for the year                     |      | -                                | -              | -             | 845,332,381                                 | 845,332,381               | 849,035,950   |                          |
| Balance at 31 December 2019                                 |      | 425,193,894                      | 716,443,452    | 55,671,181    | 5,960,657,018                               | 7,157,965,545             | 7,203,288,219 |                          |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Changes in equity

|                                                                    | Consolidated financial statements      |                    |                   |                                                      |                              |                      |
|--------------------------------------------------------------------|----------------------------------------|--------------------|-------------------|------------------------------------------------------|------------------------------|----------------------|
|                                                                    | Retained earnings                      |                    |                   | Equity<br>attributable to<br>owners of<br>the parent | Non-controlling<br>interests | Total<br>equity      |
|                                                                    | Issued and<br>paid-up<br>share capital | Shares<br>premium  | Legal reserve     | Unappropriated<br>(in Baht)                          |                              |                      |
| <b>Year ended 31 December 2020</b>                                 |                                        |                    |                   |                                                      |                              |                      |
| <b>Balance at 1 January 2020</b>                                   | <b>425,193,894</b>                     | <b>716,443,452</b> | <b>55,671,181</b> | <b>5,960,657,018</b>                                 | <b>45,322,674</b>            | <b>7,203,288,219</b> |
| Transactions with owners, recorded directly in equity              |                                        |                    |                   |                                                      |                              |                      |
| <i>Distributions to owners of the Company</i>                      |                                        |                    |                   |                                                      |                              |                      |
| Dividends to owners of the Company                                 | -                                      | -                  | -                 | (476,207,741)                                        | -                            | (476,207,741)        |
| <b>Total transactions with owners, recorded directly in equity</b> | <b>-</b>                               | <b>-</b>           | <b>-</b>          | <b>(476,207,741)</b>                                 | <b>-</b>                     | <b>(476,207,741)</b> |
| <b>Comprehensive income for the period</b>                         |                                        |                    |                   |                                                      |                              |                      |
| Profit                                                             | -                                      | -                  | -                 | 371,201,647                                          | 3,561,488                    | 374,763,135          |
| Other comprehensive income                                         | -                                      | -                  | -                 | (10,685,726)                                         | (414,626)                    | (11,100,352)         |
| <b>Total comprehensive income for the period</b>                   | <b>-</b>                               | <b>-</b>           | <b>-</b>          | <b>360,515,921</b>                                   | <b>3,146,862</b>             | <b>363,662,783</b>   |
| <b>Balance at 31 December 2020</b>                                 | <b>425,193,894</b>                     | <b>716,443,452</b> | <b>55,671,181</b> | <b>5,844,965,198</b>                                 | <b>48,469,536</b>            | <b>7,090,743,261</b> |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Changes in equity

|                                                            | Note | Separate financial statements    |               |                                   |                | Total equity  |
|------------------------------------------------------------|------|----------------------------------|---------------|-----------------------------------|----------------|---------------|
|                                                            |      | Issued and paid-up share capital | Share premium | Retained earnings                 |                |               |
|                                                            |      |                                  |               | Legal reserve<br><i>(in Baht)</i> | Unappropriated |               |
| Year ended 31 December 2019                                |      |                                  |               |                                   |                |               |
| Balance at 1 January 2019                                  |      | 425,193,894                      | 716,443,452   | 42,671,181                        | 3,844,022,685  | 5,028,331,212 |
| Transaction with owners, recorded directly in equity       |      |                                  |               |                                   |                |               |
| <i>Distributions to owners of the Company</i>              |      |                                  |               |                                   |                |               |
| Dividends to owners of the Company                         | 25   | -                                | -             | -                                 | (574,006,593)  | (574,006,593) |
| Total transaction with owners, recorded directly in equity |      | -                                | -             | -                                 | (574,006,593)  | (574,006,593) |
| Comprehensive income for the year                          |      |                                  |               |                                   |                |               |
| Profit                                                     |      | -                                | -             | -                                 | 500,588,714    | 500,588,714   |
| Other comprehensive income                                 |      | -                                | -             | -                                 | (22,537,935)   | (22,537,935)  |
| Total comprehensive income for the year                    |      | -                                | -             | -                                 | 478,050,779    | 478,050,779   |
| Balance at 31 December 2019                                |      | 425,193,894                      | 716,443,452   | 42,671,181                        | 3,748,066,871  | 4,932,375,398 |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Changes in equity

|                                                                   | Note | Separate financial statements          |                    |                            |                      |                      |
|-------------------------------------------------------------------|------|----------------------------------------|--------------------|----------------------------|----------------------|----------------------|
|                                                                   |      | Issued and<br>paid-up<br>share capital | Share<br>premium   | Retained earnings          | Unappropriated       | Total<br>equity      |
|                                                                   |      |                                        |                    | Legal reserve<br>(in Baht) |                      |                      |
| <b>Year ended 31 December 2020</b>                                |      |                                        |                    |                            |                      |                      |
| <b>Balance at 1 January 2020</b>                                  |      | <b>425,193,894</b>                     | <b>716,443,452</b> | <b>42,671,181</b>          | <b>3,748,066,871</b> | <b>4,932,375,398</b> |
| <b>Transaction with owners, recorded directly in equity</b>       |      |                                        |                    |                            |                      |                      |
| <i>Distributions to owners of the Company</i>                     |      |                                        |                    |                            |                      |                      |
| Dividends to owners of the Company                                | 25   | -                                      | -                  | -                          | (476,205,597)        | (476,205,597)        |
| <b>Total transaction with owners, recorded directly in equity</b> |      | <b>-</b>                               | <b>-</b>           | <b>-</b>                   | <b>(476,205,597)</b> | <b>(476,205,597)</b> |
| <b>Comprehensive income for the year</b>                          |      |                                        |                    |                            |                      |                      |
| Profit                                                            |      | -                                      | -                  | -                          | 409,905,108          | 409,905,108          |
| Other comprehensive income                                        |      | -                                      | -                  | -                          | (4,147,100)          | (4,147,100)          |
| <b>Total comprehensive income for the year</b>                    |      | <b>-</b>                               | <b>-</b>           | <b>-</b>                   | <b>405,758,008</b>   | <b>405,758,008</b>   |
| <b>Balance at 31 December 2020</b>                                |      | <b>425,193,894</b>                     | <b>716,443,452</b> | <b>42,671,181</b>          | <b>3,677,619,282</b> | <b>4,861,927,809</b> |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Cash Flows

|                                                                    | <b>Consolidated</b>         |                             | <b>Separate</b>             |                           |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
|                                                                    | <b>financial statements</b> |                             | <b>financial statements</b> |                           |
|                                                                    | For the year ended          |                             | For the year ended          |                           |
|                                                                    | 31 December                 |                             | 31 December                 |                           |
|                                                                    | 2020                        | 2019                        | 2020                        | 2019                      |
|                                                                    | <i>(in Baht)</i>            |                             |                             |                           |
| <b><i>Cash flows from operating activities</i></b>                 |                             |                             |                             |                           |
| Profit for the year                                                | 374,763,135                 | 898,665,752                 | 409,905,108                 | 500,588,714               |
| <i>Adjustments to reconcile profit to cash receipts (payments)</i> |                             |                             |                             |                           |
| Tax expense                                                        | 40,236,316                  | 99,758,461                  | 22,501,655                  | 51,482,384                |
| Finance costs                                                      | 7,752,348                   | 10,664,327                  | 3,284,795                   | 5,044,975                 |
| Depreciation and amortisation                                      | 619,851,263                 | 643,400,136                 | 198,420,142                 | 215,668,333               |
| Impairment loss recognised in profit or loss                       | 1,252,411                   | -                           | -                           | -                         |
| Impairment loss of plant and equipment                             | 13,843,557                  | -                           | -                           | -                         |
| Written-off property, plant and equipment                          | 6,391,150                   | 11,613,460                  | 16,016                      | 333,445                   |
| Interest income                                                    | -15,527,251                 | -29,665,888                 | -13,559,724                 | -19,495,802               |
| Bad and doubtful debts expenses                                    | -                           | 1,644,296                   | -                           | -                         |
| (Reversal of) losses on inventories devaluation                    | 952,807                     | 8,557,801                   | 54,882                      | (1,246,686)               |
| Unrealised loss on exchange                                        | 878,938                     | 31,593                      | 965,975                     | 462,951                   |
| Gain on disposal of property, plant and equipment                  | -7,939,940                  | -2,072,963                  | (638,986)                   | (199,769)                 |
| Share of profit of joint ventures and associates                   |                             |                             |                             |                           |
| accounted for using equity method                                  | -2,833,031                  | -58,741,729                 | -                           | -                         |
| Dividends income                                                   | -2,386,375                  | -54,276,213                 | (277,797,856)               | (199,297,858)             |
| Provisions for employee benefits                                   | 36,771,639                  | 61,655,356                  | 17,292,244                  | 17,745,782                |
|                                                                    | <u>1,074,006,967</u>        | <u>1,591,234,389</u>        | <u>360,444,251</u>          | <u>571,086,469</u>        |
| <b><i>Changes in operating assets and liabilities</i></b>          |                             |                             |                             |                           |
| Trade accounts receivable                                          | 150,413,559                 | 127,686,980                 | -6,698,131                  | 64,465,016                |
| Other receivables                                                  | -14,489,735                 | 20,034,725                  | 6,103,870                   | -9,364,120                |
| Inventories                                                        | 3,923,420                   | 22,394,757                  | -22,710,355                 | 11,190,138                |
| Other non-current assets                                           | -9,210,675                  | 5,049,175                   | -292,308                    | 2,058,781                 |
| Trade accounts payable                                             | 89,058,546                  | -338,421,831                | 64,398,856                  | -103,576,041              |
| Other payables                                                     | -91,489,938                 | 10,679,124                  | -12,993,928                 | 7,384,130                 |
| Other non-current liabilities                                      | 133,793                     | 10,962                      | 133,790                     | 13,095                    |
| Net cash generated from operating                                  | <u>1,202,345,937</u>        | <u>1,438,668,281</u>        | <u>388,386,045</u>          | <u>543,257,468</u>        |
| Employee benefit paid                                              | -106,796,105                | -34,097,666                 | -28,111,348                 | -14,709,731               |
| Taxes paid                                                         | <u>-66,889,242</u>          | <u>-107,141,968</u>         | <u>-30,522,154</u>          | <u>-55,574,819</u>        |
| <b>Net cash from operating activities</b>                          | <b><u>1,028,660,590</u></b> | <b><u>1,297,428,647</u></b> | <b><u>329,752,543</u></b>   | <b><u>472,972,918</u></b> |

The accompanying notes are an integral part of these financial statements

Somboon Advance Technology Public Company Limited  
and its Subsidiaries  
Statement of Cash Flows

|                                                                                                                                    | Consolidated<br>financial statements |                      | Separate<br>financial statements  |                     |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------|-----------------------------------|---------------------|
|                                                                                                                                    | For the year ended<br>31 December    |                      | For the year ended<br>31 December |                     |
|                                                                                                                                    | 2020                                 | 2019                 | 2020                              | 2019                |
|                                                                                                                                    | (in Baht)                            |                      |                                   |                     |
| <b><i>Cash flows from investing activities</i></b>                                                                                 |                                      |                      |                                   |                     |
| Increase in restricted deposit at financial institution                                                                            | -202,712                             | -                    | -                                 | -                   |
| Acquisition of subsidiaries, net of cash acquired                                                                                  | -                                    | -34,889,535          | -                                 | -                   |
| Interest received                                                                                                                  | 18,072,356                           | 28,561,408           | 14,588,374                        | 18,409,977          |
| Decrease in short-term deposit at financial institutions                                                                           | -                                    | 45,460,904           | -                                 | 47,821,287          |
| Increase in other current financial assets                                                                                         | 310,157,683                          | -                    | 156,041,130                       | -                   |
| Dividends received                                                                                                                 | 15,562,375                           | 82,125,213           | 277,797,856                       | 199,297,858         |
| Short-term loans to related parties                                                                                                | -                                    | -                    | -880,000,000                      | -780,000,000        |
| Proceeds from repayment of short-term loans<br>to related parties                                                                  | -                                    | -                    | 880,000,000                       | 700,000,000         |
| Acquisition of property, plant and equipment                                                                                       | (395,190,413)                        | -348,927,078         | -226,953,673                      | -87,350,145         |
| Proceeds from sale of property, plant and equipment                                                                                | 16,577,756                           | 3,569,467            | 1,806,529                         | 205,389             |
| Acquisition of interest in joint ventures                                                                                          | -14,999,800                          | -                    | -14,999,800                       | -                   |
| Acquisition of intangible assets                                                                                                   | -8,783,901                           | -12,618,029          | (888,000)                         | (9,500,588)         |
| <b>Net cash from (used in) investing activities</b>                                                                                | <b>-58,806,656</b>                   | <b>-236,717,650</b>  | <b>207,392,416</b>                | <b>88,883,778</b>   |
| <b><i>Cash flows from financing activities</i></b>                                                                                 |                                      |                      |                                   |                     |
| Interest paid                                                                                                                      | -6,427,308                           | -10,733,560          | -2,691,584                        | -5,091,398          |
| Payment of lease liabilities (2019: Payment by a lessee for<br>reduction of the outstanding liability relating to a finance lease) | -22,160,445                          | -306,285             | (7,130,900)                       | -                   |
| Proceeds from borrowings                                                                                                           | -                                    | -20,380,364          | -                                 | -                   |
| Repayment of borrowings                                                                                                            | -187,279,461                         | -115,326,211         | -43,428,000                       | -43,428,000         |
| Dividends paid to owners of the Company                                                                                            | -476,207,741                         | -574,006,593         | -476,205,597                      | -574,006,593        |
| <b>Net cash used in financing activities</b>                                                                                       | <b>-692,074,955</b>                  | <b>-720,753,013</b>  | <b>-529,456,081</b>               | <b>-622,525,991</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                                                        | <b>277,778,979</b>                   | <b>339,957,984</b>   | <b>7,688,878</b>                  | <b>-60,669,295</b>  |
| Cash and cash equivalents at 1 January                                                                                             | 1,702,734,121                        | 1,362,776,137        | 415,089,626                       | 475,758,921         |
| <b>Cash and cash equivalents at 31 December</b>                                                                                    | <b>1,980,513,100</b>                 | <b>1,702,734,121</b> | <b>422,778,504</b>                | <b>415,089,626</b>  |
| <b><i>Non-cash transactions</i></b>                                                                                                |                                      |                      |                                   |                     |
| Increase (decrease) in payable for purchase of assets                                                                              | 6,856,899                            | 2,591,469            | 6,737,248                         | -1,491,746          |
| Increase in right-of-use assets                                                                                                    | 9,087,224                            | -                    | 7,635,469                         | -                   |

The accompanying notes are an integral part of these financial statements

**Somboon Advance Technology Public Company Limited  
and its Subsidiaries**

Notes to the financial statements

For the year ended 31 December 2020

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# Somboon Advance Technology Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 18 February 2021.

### 1 General information

Somboon Advance Technology Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in January 2005. The Company’s registered office at

Head Office : 129 Moo 2, Bangna-Trad Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn 10540.

Branch : 300/10 Moo 1, Tambon Tasit, Amphur Pluak Daeng, Rayong 21140.

Branch : 7/389 Moo 6, Tambon Mapyangporn, Amphur Pluak Daeng, Rayong 21140.

The Company’s major shareholders during the financial year were Somboon Holding Company Limited (30.0% shareholding) which was incorporated in Thailand and Kitaphanich family (13.7% shareholding).

The principal activities of the Company are the manufacture of pick-up axles and truck trunnion shafts. Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 10.

### 2 Basis of preparation of the financial statements

#### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases which have no material impact on the financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

#### (b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

**(c) Use of judgements and estimates**

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgements, assumptions and estimation uncertainties at 31 December 2020 in applying accounting policies that have most significant effect on the amounts recognised in the financial statements is included in the following notes:

|                   |                                            |
|-------------------|--------------------------------------------|
| Note 3 (t)        | Current and deferred taxation              |
| Note 3 (k) and 12 | Leases                                     |
| Note 4            | Impact of COVID-19 Outbreak                |
| Note 16           | Measurement of defined benefit obligations |

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 2.

**(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint venture.

*Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.



If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### *Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

#### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

#### *Transactions eliminated on consolidation*

Intra-group balances transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Investments subsidiaries and joint ventures**

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

*Disposal of investments in the separate financial statements*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

**(c) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

**(d) Financial instruments**

***Accounting policies applicable from 1 January 2020***

*(d.1) Recognition and initial measurement*

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

*(d.2) Classification and subsequent measurement*

*Financial assets - classification*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).



Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

#### *Financial assets - business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### *Financial assets - assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

*Financial assets - subsequent measurement and gains and losses*

|                                    |                                                                                                                                                                                                                                                                                                                          |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial assets at FVTPL          | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.                                                                                                                                                                 |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
| Equity investment at FVOCI         | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.                       |

*Financial liabilities – classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### *(d.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *(d.5) Derivatives*

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

### ***Accounting policies applicable before 1 January 2020***

#### *Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, where these investments are derecognised the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

#### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

## *Derivatives*

Derivative are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative are not used for trading purposes.

The Group is party to financial instruments that reduce exposure to fluctuations in foreign currency exchange. These financial instruments, which mainly comprise forward foreign exchange contracts is not recognised in the financial statements on inception but deferred and accounted for on a settlement basis.

### **(e) *Cash and cash equivalents***

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

### **(f) *Trade and other accounts receivable***

A receivable is recognised when the Group has an unconditional right to receive consideration.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

### **(g) *Inventories***

Inventories are measured at the lower of cost and net realisable value.

Cost of finished goods and works in process are calculated using the average cost principle. Raw materials, factory supplies and spare parts for machinery are calculated using the first in first out principle. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost including an appropriate share of production overheads based an normal operating capacity.

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

### **(h) *Investment properties***

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

(i) **Property, plant and equipment**

*Recognition and measurement*

*Owned asset*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

|                                          |              |
|------------------------------------------|--------------|
| Buildings and other constructions        | 5 - 40 years |
| Machinery and factory equipment          | 2 - 30 years |
| Office furniture, fixtures and equipment | 3 - 5 years  |
| Vehicle                                  | 5 years      |
| Right-of-use assets                      | 2 - 4 years  |

No depreciation is provided on freehold land, assets under construction and spare parts for machinery.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) Intangible assets**

*Goodwill*

Goodwill is measured as the excess of the cost of acquisition over the fair value of the identifiable assets acquired.

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3 (m). Negative goodwill is recognised immediately in profit or loss.

*Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in statement of income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

|                   |              |
|-------------------|--------------|
| Software licences | 3 - 10 years |
|-------------------|--------------|

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(k) Leases**

***Accounting policies applicable from 1 January 2020***

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment and lease liabilities in 'long-term loan' in the statement of financial position.

#### *As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

### ***Accounting policies applicable before 1 January 2020***

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### ***(l) Impairment of financial assets***

### ***Accounting policies applicable from 1 January 2020***

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to related parties).

#### ***Measurement of ECLs***

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.



The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

#### *Accounting policies applicable before 1 January 2020*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

#### *Calculation of recoverable amount*

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

#### *Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

#### **(m) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

#### *Calculation of recoverable amount*

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

#### *Reversal of impairment*

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(n) Employee benefits**

##### *Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

##### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

#### *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **(o) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### **(p) Measurement of fair values**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## **(q) Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

### *Sale of goods and services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

**(r) Other income**

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**(s) Interest**

***Accounting policies applicable from 1 January 2020***

***Effective Interest Rate (EIR)***

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

***Accounting policies applicable before 1 January 2020***

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(t) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(u) *Earnings per share***

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**(v) *Related parties***

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

**(w) *Segment reporting***

Segment results that are reported to the Group's CODM (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

#### 4 Impact of Covid-19 outbreak

In 2020, the Group's business was significantly affected by the Covid-19 outbreak. This has significantly affected overall economy especially automotive parts sector resulting in a significant decline in revenue.

At 31 December 2020, the situation of Covid-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of Covid-19 outbreak on the following:

##### *(1) Impairment of assets*

The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the Covid-19 situation as impairment indicator for the impairment testing factors of goodwill.

##### *(2) Fair value measurement*

The Group elected to measure investment in non-marketable equity securities at 31 December 2020 using fair values at 1 January 2020.

##### *(3) Deferred tax assets*

The Group elected to exclude the factor of Covid-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

This guidance expired on 31 December 2020. The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread. However, it is still not possible to predict for how long when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, and government measures on the business of the Group. However, the management will constantly provide commercial support to the customers and make the utmost effort to reduce such impact by adjusting the operating process and cutting expenses and other costs.

## 5 Related parties

Relationships with subsidiaries, associates and joint ventures are described in notes 9 and 10. Other related parties that the Group had significant transactions with during the year were as follows:

| Name of entities                | Country of incorporation/<br>nationality | Nature of relationships                |
|---------------------------------|------------------------------------------|----------------------------------------|
| Somboon Holding Company Limited | Thailand                                 | Major shareholders, 30.0% shareholding |
| Yongkee Co., Ltd.               | Thailand                                 | A common shareholder of the Company    |

Significant transactions for the years ended 31 December with related parties were as follows:

| <i>Year ended</i><br><i>31 December</i>            | <b>Pricing policies</b>    | <b>Consolidated</b><br><b>financial statements</b> |           | <b>Separate</b><br><b>financial statements</b> |           |
|----------------------------------------------------|----------------------------|----------------------------------------------------|-----------|------------------------------------------------|-----------|
|                                                    |                            | 2020                                               | 2019      | 2020                                           | 2019      |
|                                                    |                            | <i>(in million Baht)</i>                           |           |                                                |           |
| <b>Subsidiaries</b>                                |                            |                                                    |           |                                                |           |
| Sales of goods                                     | Approximates market prices | -                                                  | -         | 114                                            | 148       |
| Dividend income                                    | Right to receive           | -                                                  | -         | 278                                            | 199       |
| Interest income                                    | Contractually agreed rate  | -                                                  | -         | 5                                              | 5         |
| Management fee income                              | Contractually agreed price | -                                                  | -         | 58                                             | 85        |
| Facilities income                                  | Approximates cost          | -                                                  | -         | 6                                              | 9         |
| Rental income                                      | Contractually agreed price | -                                                  | -         | 3                                              | 5         |
| Sales of scraps                                    | Approximates market prices | -                                                  | -         | 4                                              | 8         |
| Other income                                       | Approximates market prices | -                                                  | -         | 3                                              | 4         |
| Purchases of goods                                 | Approximates market price  | -                                                  | -         | 18                                             | -         |
| Rental expense                                     | Contractually agreed price | -                                                  | -         | 3                                              | 3         |
| Facilities expense                                 | Approximates cost          | -                                                  | -         | 3                                              | 3         |
| Other expense                                      | Approximates market prices | -                                                  | -         | 2                                              | 4         |
| <b>Joint venture</b>                               |                            |                                                    |           |                                                |           |
| Sales of goods                                     | Approximates market prices | -                                                  | 1         | -                                              | -         |
| Rental income                                      | Contractually agreed price | 16                                                 | 17        | 1                                              | 1         |
| Management fee income                              | Contractually agreed price | 12                                                 | 12        | 12                                             | 12        |
| Interest income                                    | Contractually agreed rate  | 7                                                  | 7         | 7                                              | 7         |
| Other income                                       | Contractually agreed price | -                                                  | 3         | -                                              | -         |
| <b>Associate</b>                                   |                            |                                                    |           |                                                |           |
| Purchases of goods                                 | Approximates market price  | 30                                                 | 42        | -                                              | -         |
| Dividend income                                    | Right to receive           | 13                                                 | 28        | -                                              | -         |
| <b>Key management personnel</b>                    |                            |                                                    |           |                                                |           |
| Key management personnel compensation              |                            |                                                    |           |                                                |           |
| Short-term benefits                                |                            | 53                                                 | 63        | 44                                             | 62        |
| Other long-term benefits                           |                            | 1                                                  | 7         | 1                                              | 7         |
| <b>Total key management personnel compensation</b> |                            | <b>54</b>                                          | <b>70</b> | <b>45</b>                                      | <b>69</b> |

| <i>Year ended<br/>31 December</i> | <b>Pricing policies</b>    | <b>Consolidated<br/>financial statements</b> |      | <b>Separate<br/>financial statements</b> |      |
|-----------------------------------|----------------------------|----------------------------------------------|------|------------------------------------------|------|
|                                   |                            | 2020                                         | 2019 | 2020                                     | 2019 |
|                                   |                            | <i>(in million Baht)</i>                     |      |                                          |      |
| <b>Other related parties</b>      |                            |                                              |      |                                          |      |
| Sales of goods                    | Approximates market prices | 11                                           | 12   | 12                                       | 12   |
| Rental income                     | Contractually agreed price | 2                                            | 2    | -                                        | -    |
| Management fee                    | Contractually agreed price | 17                                           | 20   | 17                                       | 20   |

Balances as at 31 December with related parties were as follows:

|                                  | Consolidated<br>financial statements |              | Separate<br>financial statements |               |
|----------------------------------|--------------------------------------|--------------|----------------------------------|---------------|
|                                  | 2020                                 | 2019         | 2020                             | 2019          |
| <i>(in thousand Baht)</i>        |                                      |              |                                  |               |
| <b>Trade accounts receivable</b> |                                      |              |                                  |               |
| Subsidiaries                     | -                                    | -            | 26,880                           | 27,391        |
| Joint venture                    | 21                                   | 226          | -                                | -             |
| Other related parties            | 4,424                                | 4,408        | 4,424                            | 4,408         |
| <b>Total</b>                     | <b>4,445</b>                         | <b>4,634</b> | <b>31,304</b>                    | <b>31,799</b> |
| <b>Other receivables</b>         |                                      |              |                                  |               |
| Subsidiaries                     | -                                    | -            | 38,569                           | 49,177        |
| Joint venture                    | 8,246                                | 6,977        | 3,386                            | 3,210         |
| Other related parties            | 485                                  | 313          | 7                                | 7             |
| <b>Total</b>                     | <b>8,731</b>                         | <b>7,290</b> | <b>41,962</b>                    | <b>52,394</b> |

Movements during the years ended 31 December of loans to related parties were as follows:

|               | Consolidated financial statements |                    |                  |                              |
|---------------|-----------------------------------|--------------------|------------------|------------------------------|
|               | As at 31<br>December<br>2019      | Increase           | Decrease         | As at 31<br>December<br>2020 |
|               |                                   | (in thousand Baht) |                  |                              |
| Joint venture | 200,000                           | -                  | -                | 200,000                      |
| <b>Total</b>  | <b>200,000</b>                    | <b>-</b>           | <b>-</b>         | <b>200,000</b>               |
|               | Separate financial statements     |                    |                  |                              |
|               | As at 31<br>December<br>2019      | Increase           | Decrease         | As at 31<br>December<br>2020 |
|               |                                   | (in thousand Baht) |                  |                              |
| Subsidiaries  | 220,000                           | 880,000            | (880,000)        | 220,000                      |
| Joint venture | 200,000                           | -                  | -                | 200,000                      |
| <b>Total</b>  | <b>420,000</b>                    | <b>800,000</b>     | <b>(800,000)</b> | <b>420,000</b>               |

Short-term loans to related parties carry interest at MMR (Money Market Rate) per annum.

|                              | Consolidated<br>financial statements |               | Separate<br>financial statements |              |
|------------------------------|--------------------------------------|---------------|----------------------------------|--------------|
|                              | 2020                                 | 2019          | 2020                             | 2019         |
|                              | (in thousand Baht)                   |               |                                  |              |
| <b>Trade account payable</b> |                                      |               |                                  |              |
| Subsidiaries                 | -                                    | -             | 6,972                            | 8,060        |
| Associates                   | 11,088                               | 10,258        | -                                | -            |
| <b>Total</b>                 | <b>11,088</b>                        | <b>10,258</b> | <b>6,972</b>                     | <b>8,060</b> |
| <b>Other payables</b>        |                                      |               |                                  |              |
| Subsidiaries                 | -                                    | -             | 18,325                           | 5,671        |
| Joint venture                | 71                                   | 7,539         | 23                               | -            |
| Associates                   | 300                                  | 73            | -                                | -            |
| Other related parties        | 1,326                                | 1,739         | 1,304                            | 1,739        |
| <b>Total</b>                 | <b>1,697</b>                         | <b>9,351</b>  | <b>19,652</b>                    | <b>7,410</b> |

*(1) Land and building lease agreement*

A subsidiary has land and building lease agreements with a joint venture for the period of 1 year. The agreement is effective from 1 January 2020 to 31 December 2020. The subsidiary will receive land and building rental fees as stipulated in the agreement. However, the new agreement is currently in process of consideration of conditions and preparation by both parties.

*(2) Management service agreement with joint venture*

The Company had a management service agreement with a joint venture for the period of 1 year. The agreement is effective from 1 January 2020 to 31 December 2020. Under the terms of the agreement, the Company will provide management services and will receive service fee as stipulated in the agreement. However, the new agreement is currently in process of consideration of conditions and preparation by both parties.

*(3) Management service agreement with related party*

The Company entered into a management service agreement with a related company whereby the latter will provide consulting services as stipulated in the agreement. The Company is committed to pay annual fees amounting to Baht 19.5 million. This agreement expired on 31 December 2020. The Company entered into a renewal agreement and committed to pay annual fees amounting to Baht 15.0 million. The agreement is effective from 1 January 2021 to 31 December 2023.

## 6 Cash and cash equivalents

|                                      | Consolidated<br>financial statements |                  | Separate<br>financial statements |                |
|--------------------------------------|--------------------------------------|------------------|----------------------------------|----------------|
|                                      | 2020                                 | 2019             | 2020                             | 2019           |
|                                      | (in thousand Baht)                   |                  |                                  |                |
| Cash on hand                         | 445                                  | 435              | 90                               | 90             |
| Cash at banks - current accounts     | 31,333                               | 14,864           | 3,362                            | 10,013         |
| Cash at banks - savings accounts     | 1,748,735                            | 1,333,227        | 419,327                          | 353,935        |
| Highly liquid short-term investments | 200,000                              | 354,208          | -                                | 51,052         |
| <b>Total</b>                         | <b>1,980,513</b>                     | <b>1,702,734</b> | <b>422,779</b>                   | <b>415,090</b> |

## 7 Other receivables

|                               |      | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|-------------------------------|------|--------------------------------------|---------------|----------------------------------|---------------|
|                               | Note | 2020                                 | 2019          | 2020                             | 2019          |
|                               |      | <i>(in thousand Baht)</i>            |               |                                  |               |
| <b>Related parties</b>        | 5    | 8,731                                | 7,290         | 41,962                           | 52,394        |
| <b>Other parties</b>          |      |                                      |               |                                  |               |
| Revenue department receivable |      | 82,040                               | 57,004        | 21,986                           | 13,598        |
| Prepaid expenses              |      | 11,404                               | 14,718        | 2,137                            | 2,574         |
| Accrued incomes               |      | 1,181                                | 4,165         | 962                              | 2,407         |
| Others                        |      | 1,578                                | 5,649         | 1,426                            | 4,290         |
| <b>Total</b>                  |      | <b>104,934</b>                       | <b>88,826</b> | <b>68,473</b>                    | <b>75,263</b> |

## 8 Inventories

|                                     |  | Consolidated<br>financial statements |                | Separate<br>financial statements |                |
|-------------------------------------|--|--------------------------------------|----------------|----------------------------------|----------------|
|                                     |  | 2020                                 | 2019           | 2020                             | 2019           |
|                                     |  | <i>(in thousand Baht)</i>            |                |                                  |                |
| Finished goods                      |  | 255,203                              | 271,852        | 76,650                           | 56,240         |
| Work in process                     |  | 83,684                               | 82,311         | 6,530                            | 7,498          |
| Raw materials                       |  | 46,413                               | 42,376         | 8,676                            | 8,223          |
| Factory supplies                    |  | 99,060                               | 115,888        | 17,833                           | 16,865         |
| Spare parts for machinery           |  | 120,805                              | 114,725        | 30,660                           | 28,812         |
| Goods in transit                    |  | 26,527                               | 8,463          | 106                              | 107            |
| <b>Total</b>                        |  | <b>631,692</b>                       | <b>635,615</b> | <b>140,455</b>                   | <b>117,745</b> |
| Less allowance for decline in value |  | (66,810)                             | (65,857)       | (5,658)                          | (5,603)        |
| <b>Net</b>                          |  | <b>564,882</b>                       | <b>569,758</b> | <b>134,797</b>                   | <b>112,142</b> |

Investments in associates and joint ventures as at 31 December, and dividend income for the years then ended were as follows:



|                                    | Ownership Interest |       | Separate financial statements |                |                |                |
|------------------------------------|--------------------|-------|-------------------------------|----------------|----------------|----------------|
|                                    | 2020               | 2019  | Paid-up capital               |                | Cost method    |                |
|                                    | (%)                |       | 2020                          | 2019           | 2020           | 2019           |
| <i>(in thousand Baht)</i>          |                    |       |                               |                |                |                |
| <b>Joint ventures</b>              |                    |       |                               |                |                |                |
| Mubea Somboon Automotive Co., Ltd. | 50.00              | 50.00 | 701,000                       | 701,000        | 350,500        | 350,500        |
| Somboon Siasun Tech Co., Ltd.      | 50.00              | -     | 30,000                        | -              | 15,000         | -              |
| <b>Total</b>                       |                    |       | <b>731,000</b>                | <b>701,000</b> | <b>365,500</b> | <b>350,500</b> |

All associates and joint ventures were incorporated and operate in Thailand.

None of the Group's associates and joint ventures are publicly listed and consequently do not have published price quotations.

On 3 April 2020, the Company entered into a joint venture agreement with Shenyang Siasun Robot & Automation Co., Ltd. to establish a joint venture, Somboon Siasun Tech Co., Ltd., and registered with the Ministry of Commerce on 12 June 2020. The main objectives of this joint venture are providing service and consultation in system design including engineering system and automation system integration development. The Company has a shareholding of 50% in this joint venture.

## 10 Investments in subsidiaries

Investments in subsidiaries as at 31 December, and dividend income for the years then ended were as follows:

|                                                   | Type of business                                 | Ownership interest |      | Paid-up capital |         | Separate financial statements |                  | Dividend income |                |
|---------------------------------------------------|--------------------------------------------------|--------------------|------|-----------------|---------|-------------------------------|------------------|-----------------|----------------|
|                                                   |                                                  | 2019               |      | 2020            |         | Cost method                   |                  | for the years   |                |
|                                                   |                                                  | 2020               | 2019 | 2020            | 2019    | 2020                          | 2019             | 2020            | 2019           |
|                                                   |                                                  | (%)                |      |                 |         | (in thousand Baht)            |                  |                 |                |
| <b>Direct Subsidiaries</b>                        |                                                  |                    |      |                 |         |                               |                  |                 |                |
| Somboon Malleable Iron Industrial Company Limited | Manufacture and sale of auto parts               | 100                | 100  | 500,000         | 500,000 | 875,989                       | 875,989          | 99,998          | 99,998         |
| Bangkok Spring Industrial Company Limited         | Rent of real estate, investment company, service | 100                | 100  | 130,000         | 130,000 | 519,989                       | 519,989          | 20,800          | 20,800         |
| International Casting Products Co., Ltd           | Manufacture and sale of auto parts               | 100                | 100  | 785,000         | 785,000 | 796,034                       | 796,034          | 157,000         | 78,500         |
| Somboon Forging Technology Company Limited        | Manufacture and sale of auto parts               | 100                | 100  | 350,000         | 350,000 | 350,000                       | 350,000          | -               | -              |
| <b>Total</b>                                      |                                                  |                    |      |                 |         | <b>2,542,012</b>              | <b>2,542,012</b> | <b>277,798</b>  | <b>199,298</b> |

Details of the Company's indirect subsidiary as at 31 December were as follows:

| Name of party                      | Type of business                                                     | Ownership Interest |      |
|------------------------------------|----------------------------------------------------------------------|--------------------|------|
|                                    |                                                                      | 2020               | 2019 |
| (%)                                |                                                                      |                    |      |
| <b><i>Indirect subsidiary</i></b>  |                                                                      |                    |      |
| Nippon Kikai Engineering Co., Ltd. | Manufacture and assembly of machinery, automatic equipment and parts | 51                 | 51   |

All subsidiaries were incorporated and operate in Thailand.

## 11 Investment properties

Investment properties are land not used in its operation of a subsidiary and were revalued by an independent professional valuer in February 2019, at market comparison approach. The appraised value was Baht 102 million.

### *Fair value hierarchy*

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio.

The fair value for investment property of Baht 102 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

## 12 Property, plant and equipment

|                                                                     | Consolidated financial statements |                                   |                                 |                                                                |               |                                            |                           |
|---------------------------------------------------------------------|-----------------------------------|-----------------------------------|---------------------------------|----------------------------------------------------------------|---------------|--------------------------------------------|---------------------------|
|                                                                     | Land                              | Buildings and other constructions | Machinery and factory equipment | Office furniture, fixtures and equipment<br>(in thousand Baht) | Vehicles      | Assets under construction and installation | Spare parts for machinery |
|                                                                     |                                   |                                   |                                 |                                                                |               |                                            | Total                     |
| <b>Cost</b>                                                         |                                   |                                   |                                 |                                                                |               |                                            |                           |
| At 1 January 2019                                                   | 539,428                           | 1,718,485                         | 8,678,442                       | 187,858                                                        | 11,487        | 112,484                                    | 11,340,871                |
| Additions                                                           | -                                 | 1,668                             | 57,541                          | 9,150                                                          | 14            | 228,961                                    | 351,453                   |
| Acquisitions through business acquisition                           | 58,344                            | 4,666                             | 929                             | 1,410                                                          | 12,759        | 6,666                                      | 84,774                    |
| Transfers                                                           | -                                 | 31,436                            | 211,828                         | 11,350                                                         | -             | (209,024)                                  | -                         |
| Disposals                                                           | -                                 | -                                 | (197,018)                       | (5,375)                                                        | (16)          | -                                          | (202,409)                 |
| <b>At 31 December 2019 and 1 January 2020</b>                       | <b>597,772</b>                    | <b>1,756,255</b>                  | <b>8,751,722</b>                | <b>204,393</b>                                                 | <b>24,244</b> | <b>139,087</b>                             | <b>11,574,689</b>         |
| Recognition of right-of-use asset on initial application of TFRS 16 | -                                 | -                                 | 13,098                          | -                                                              | 12,139        | -                                          | 25,237                    |
| <b>At 1 January 2020 - as adjusted</b>                              | <b>597,772</b>                    | <b>1,756,255</b>                  | <b>8,764,820</b>                | <b>204,393</b>                                                 | <b>36,383</b> | <b>139,087</b>                             | <b>11,599,926</b>         |
| Additions                                                           | -                                 | 4,168                             | 51,662                          | 10,779                                                         | 8,754         | 311,121                                    | 418,985                   |
| Transfers                                                           | -                                 | 9,559                             | 294,670                         | 1,481                                                          | -             | (275,241)                                  | -                         |
| Disposals                                                           | -                                 | (5,293)                           | (387,724)                       | (13,791)                                                       | (5,488)       | -                                          | (414,021)                 |
| <b>At 31 December 2020</b>                                          | <b>597,772</b>                    | <b>1,764,689</b>                  | <b>8,723,428</b>                | <b>202,862</b>                                                 | <b>39,649</b> | <b>174,967</b>                             | <b>11,604,890</b>         |
| <b>Depreciation and impairment losses</b>                           |                                   |                                   |                                 |                                                                |               |                                            |                           |
| At 1 January 2019                                                   | -                                 | 920,696                           | 6,437,169                       | 168,905                                                        | 10,028        | -                                          | 7,536,798                 |
| Depreciation charge for the year                                    | -                                 | 88,762                            | 530,816                         | 9,889                                                          | 1,450         | -                                          | 630,917                   |
| Disposals                                                           | -                                 | -                                 | (184,962)                       | (4,253)                                                        | (16)          | -                                          | (189,231)                 |
| <b>At 31 December 2019 and 1 January 2020</b>                       | <b>-</b>                          | <b>1,009,458</b>                  | <b>6,783,023</b>                | <b>174,541</b>                                                 | <b>11,462</b> | <b>-</b>                                   | <b>7,978,484</b>          |
| Recognition of right-of-use asset on initial application of TFRS 16 | -                                 | -                                 | -                               | -                                                              | -             | -                                          | -                         |
| <b>At 1 January 2020 - as adjusted</b>                              | <b>-</b>                          | <b>1,009,458</b>                  | <b>6,783,023</b>                | <b>174,541</b>                                                 | <b>11,462</b> | <b>-</b>                                   | <b>7,978,484</b>          |
| Depreciation charge for the year                                    | -                                 | 86,449                            | 497,802                         | 11,706                                                         | 11,420        | -                                          | 607,377                   |
| Impairment losses                                                   | -                                 | 247                               | 13,164                          | 432                                                            | -             | -                                          | 13,843                    |
| Disposals                                                           | -                                 | (4,028)                           | (376,019)                       | (13,457)                                                       | (4,456)       | -                                          | (397,960)                 |
| <b>At 31 December 2020</b>                                          | <b>-</b>                          | <b>1,092,126</b>                  | <b>6,917,970</b>                | <b>173,222</b>                                                 | <b>18,426</b> | <b>-</b>                                   | <b>8,201,744</b>          |

**Consolidated financial statements**

|                             |  | <i>(in thousand Baht)</i> |                                   |                                 |                                          |               |                                            |                           |                  |
|-----------------------------|--|---------------------------|-----------------------------------|---------------------------------|------------------------------------------|---------------|--------------------------------------------|---------------------------|------------------|
|                             |  | Land                      | Buildings and other constructions | Machinery and factory equipment | Office furniture, fixtures and equipment | Vehicles      | Assets under construction and installation | Spare parts for machinery | Total            |
| <b>Net book value</b>       |  |                           |                                   |                                 |                                          |               |                                            |                           |                  |
| <b>At 31 December 2019</b>  |  |                           |                                   |                                 |                                          |               |                                            |                           |                  |
| Owned assets                |  | 597,772                   | 746,797                           | 1,968,699                       | 29,852                                   | 4,432         | 139,087                                    | 101,216                   | 3,587,855        |
| Assets under finance leases |  | -                         | -                                 | -                               | -                                        | 8,350         | -                                          | -                         | 8,350            |
|                             |  | <b>597,772</b>            | <b>746,797</b>                    | <b>1,968,699</b>                | <b>29,852</b>                            | <b>12,782</b> | <b>139,087</b>                             | <b>101,216</b>            | <b>3,596,205</b> |
| <b>At 31 December 2020</b>  |  |                           |                                   |                                 |                                          |               |                                            |                           |                  |
| Owned assets                |  | 597,772                   | 672,563                           | 1,794,818                       | 29,640                                   | 8,974         | 174,967                                    | 101,523                   | 3,380,257        |
| Right-of-use assets         |  | -                         | -                                 | 10,640                          | -                                        | 12,249        | -                                          | -                         | 22,889           |
|                             |  | <b>597,772</b>            | <b>672,563</b>                    | <b>1,805,458</b>                | <b>29,640</b>                            | <b>21,223</b> | <b>174,967</b>                             | <b>101,523</b>            | <b>3,403,146</b> |





|                                                                     | Separate financial statements |                                   |                                 |                                                                |               |                                            |                           |
|---------------------------------------------------------------------|-------------------------------|-----------------------------------|---------------------------------|----------------------------------------------------------------|---------------|--------------------------------------------|---------------------------|
|                                                                     | Land                          | Buildings and other constructions | Machinery and factory equipment | Office furniture, fixtures and equipment<br>(in thousand Baht) | Vehicles      | Assets under construction and installation | Spare parts for machinery |
| <b>Cost</b>                                                         |                               |                                   |                                 |                                                                |               |                                            | Total                     |
| At 1 January 2019                                                   | 91,781                        | 526,886                           | 3,153,069                       | 77,909                                                         | 8,568         | 42,436                                     | 3,909,762                 |
| Additions                                                           | -                             | -                                 | 9,747                           | 5,013                                                          | 14            | 65,494                                     | 85,859                    |
| Transfers                                                           | -                             | 7,551                             | 51,412                          | 9,222                                                          | -             | (66,856)                                   | -                         |
| Disposals                                                           | -                             | -                                 | (10,701)                        | (1,789)                                                        | (16)          | -                                          | (12,506)                  |
| <b>At 31 December 2019 and 1 January 2020</b>                       | <b>91,781</b>                 | <b>534,437</b>                    | <b>3,203,527</b>                | <b>90,355</b>                                                  | <b>8,566</b>  | <b>41,074</b>                              | <b>3,983,115</b>          |
| Recognition of right-of-use asset on initial application of TFRS 16 | -                             | -                                 | 3,343                           | -                                                              | 4,977         | -                                          | 8,320                     |
| <b>At 1 January 2020 - as adjusted</b>                              | <b>91,781</b>                 | <b>534,437</b>                    | <b>3,206,870</b>                | <b>90,355</b>                                                  | <b>13,543</b> | <b>41,074</b>                              | <b>3,991,435</b>          |
| Additions                                                           | -                             | -                                 | 8,786                           | 5,776                                                          | 2,590         | 218,663                                    | 241,248                   |
| Transfers                                                           | -                             | 2,412                             | 189,874                         | 959                                                            | -             | (191,790)                                  | -                         |
| Disposals                                                           | -                             | (2,206)                           | (13,354)                        | (162)                                                          | (1,739)       | -                                          | (17,461)                  |
| <b>At 31 December 2020</b>                                          | <b>91,781</b>                 | <b>534,643</b>                    | <b>3,392,176</b>                | <b>96,928</b>                                                  | <b>14,394</b> | <b>67,947</b>                              | <b>4,215,222</b>          |
| <b>Depreciation</b>                                                 |                               |                                   |                                 |                                                                |               |                                            |                           |
| At 1 January 2019                                                   | -                             | 259,920                           | 2,434,978                       | 69,984                                                         | 7,269         | -                                          | 2,772,151                 |
| Depreciation charge for the year                                    | -                             | 26,942                            | 178,225                         | 5,405                                                          | 732           | -                                          | 211,304                   |
| Disposals                                                           | -                             | -                                 | (10,368)                        | (1,783)                                                        | (16)          | -                                          | (12,167)                  |
| <b>At 31 December 2019 and 1 January 2020</b>                       | <b>-</b>                      | <b>286,862</b>                    | <b>2,602,835</b>                | <b>73,606</b>                                                  | <b>7,985</b>  | <b>-</b>                                   | <b>2,971,288</b>          |
| Recognition of right-of-use asset on initial application of TFRS 16 | -                             | -                                 | -                               | -                                                              | -             | -                                          | -                         |
| <b>At 1 January 2020 - as adjusted</b>                              | <b>-</b>                      | <b>286,862</b>                    | <b>2,602,835</b>                | <b>73,606</b>                                                  | <b>7,985</b>  | <b>-</b>                                   | <b>2,971,288</b>          |
| Depreciation charge for the year                                    | -                             | 26,405                            | 156,575                         | 6,266                                                          | 4,256         | -                                          | 193,502                   |
| Disposals                                                           | -                             | (1,038)                           | (13,339)                        | (162)                                                          | (1,739)       | -                                          | (16,278)                  |
| <b>At 31 December 2020</b>                                          | <b>-</b>                      | <b>312,229</b>                    | <b>2,746,071</b>                | <b>79,710</b>                                                  | <b>10,502</b> | <b>-</b>                                   | <b>3,148,512</b>          |

|                            |  | Separate financial statements |                                   |                                 |                                                                |              |                                            |                           |                  |
|----------------------------|--|-------------------------------|-----------------------------------|---------------------------------|----------------------------------------------------------------|--------------|--------------------------------------------|---------------------------|------------------|
|                            |  | Land                          | Buildings and other constructions | Machinery and factory equipment | Office furniture, fixtures and equipment<br>(in thousand Baht) | Vehicles     | Assets under construction and installation | Spare parts for machinery | Total            |
| <i>Net book value</i>      |  |                               |                                   |                                 |                                                                |              |                                            |                           |                  |
| <b>At 31 December 2019</b> |  | <b>91,781</b>                 | <b>247,575</b>                    | <b>600,692</b>                  | <b>16,749</b>                                                  | <b>581</b>   | <b>41,074</b>                              | <b>13,375</b>             | <b>1,011,827</b> |
| <b>At 31 December 2020</b> |  |                               |                                   |                                 |                                                                |              |                                            |                           |                  |
| Owned assets               |  | 91,781                        | 222,414                           | 640,763                         | 17,218                                                         | 24           | 67,947                                     | 17,353                    | 1,057,500        |
| Right-of-use assets        |  | -                             | -                                 | 5,342                           | -                                                              | 3,868        | -                                          | -                         | 9,210            |
|                            |  | <b>91,781</b>                 | <b>222,414</b>                    | <b>646,105</b>                  | <b>17,218</b>                                                  | <b>3,892</b> | <b>67,947</b>                              | <b>17,353</b>             | <b>1,066,710</b> |

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounting to Baht 4,618 million (2019: Baht 4,243 million).

As at 31 December 2020, land of the Company valued at Baht 2.3 million comprises land for which the legal ownership has yet to be transferred which is in accordance with the agreements to purchase and to sell the land.

The Company and its subsidiaries have mortgaged a majority of their land with structures thereon as collateral for credit facilities granted by commercial banks.

Movement of right-of-use assets is as follows:

*As a lessee*

|                            | <b>Consolidated<br/>financial<br/>statements</b> | <b>Separate<br/>financial<br/>statements</b> |
|----------------------------|--------------------------------------------------|----------------------------------------------|
| <b>At 31 December 2020</b> | <i>(in thousand Baht)</i>                        |                                              |
| <b>Right-of-use assets</b> |                                                  |                                              |
| Machinery                  | 10,640                                           | 5,342                                        |
| Vehicles                   | 12,249                                           | 3,868                                        |
| <b>Total</b>               | <b>22,889</b>                                    | <b>9,210</b>                                 |

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 10 million and Baht 7 million, respectively

The Group leased a machinery for 2 year and the Group and the Company leased vehicles for 2 - 4 years and paid fixed lease payment that are based on usage over the lease term.

In 2020, total cash outflow for leases of the Group and the Company were Baht 15 million and Baht 7 million, respectively.

### 13 Intangible assets

|                                               | <b>Consolidated financial statements</b> |                                   |                |
|-----------------------------------------------|------------------------------------------|-----------------------------------|----------------|
|                                               | Software<br>licences                     | Software<br>under<br>installation | Total          |
|                                               | <i>(in thousand Baht)</i>                |                                   |                |
| <b>Cost</b>                                   |                                          |                                   |                |
| At 1 January 2019                             | 131,563                                  | 1,110                             | 132,673        |
| Additions                                     | 9,028                                    | 3,590                             | 12,618         |
| Acquisitions through business acquisition     | 521                                      | -                                 | 521            |
| <b>At 31 December 2019 and 1 January 2020</b> | <b>141,112</b>                           | <b>4,700</b>                      | <b>145,812</b> |
| Additions                                     | 7,440                                    | 1,344                             | 8,784          |
| Transfer                                      | 4,700                                    | (4,700)                           | -              |
| <b>At 31 December 2020</b>                    | <b>153,252</b>                           | <b>1,344</b>                      | <b>154,596</b> |
| <b>Amortisation</b>                           |                                          |                                   |                |
| At 1 January 2020                             | 103,969                                  | -                                 | 103,969        |
| Amortisation charge for the year              | 12,483                                   | -                                 | 12,483         |
| <b>At 31 December 2019 and 1 January 2020</b> | <b>116,452</b>                           | <b>-</b>                          | <b>116,452</b> |
| Amortisation charge for the year              | 12,474                                   | -                                 | 12,474         |
| <b>At 31 December 2020</b>                    | <b>128,926</b>                           | <b>-</b>                          | <b>128,926</b> |
| <b>Net book value</b>                         |                                          |                                   |                |
| <b>At 31 December 2019</b>                    | <b>24,660</b>                            | <b>4,700</b>                      | <b>29,360</b>  |
| <b>At 31 December 2020</b>                    | <b>24,326</b>                            | <b>1,344</b>                      | <b>25,670</b>  |

| Separate financial statements                 |                      |                                   |               |
|-----------------------------------------------|----------------------|-----------------------------------|---------------|
|                                               | Software<br>licences | Software<br>under<br>installation | Total         |
|                                               | (in thousand Baht)   |                                   |               |
| <b>Cost</b>                                   |                      |                                   |               |
| At 1 January 2019                             | 58,997               | 1,110                             | 60,107        |
| Additions                                     | 5,911                | 3,590                             | 9,501         |
| <b>At 31 December 2019 and 1 January 2020</b> | <b>64,908</b>        | <b>4,700</b>                      | <b>69,608</b> |
| Additions                                     | 888                  | -                                 | 888           |
| Transfer                                      | 4,700                | (4,700)                           | -             |
| <b>At 31 December 2020</b>                    | <b>70,496</b>        | <b>-</b>                          | <b>70,496</b> |
| <b>Amortisation</b>                           |                      |                                   |               |
| At 1 January 2019                             | 51,487               | -                                 | 51,487        |
| Amortisation charge for the year              | 4,366                | -                                 | 4,366         |
| <b>At 31 December 2019 and 1 January 2020</b> | <b>55,853</b>        | <b>-</b>                          | <b>55,853</b> |
| Amortisation charge for the year              | 4,919                | -                                 | 4,919         |
| <b>At 31 December 2020</b>                    | <b>60,772</b>        | <b>-</b>                          | <b>60,772</b> |
| <b>Net book value</b>                         |                      |                                   |               |
| <b>At 31 December 2019</b>                    | <b>9,055</b>         | <b>4,700</b>                      | <b>13,755</b> |
| <b>At 31 December 2020</b>                    | <b>9,724</b>         | <b>-</b>                          | <b>9,724</b>  |

#### 14 Interest-bearing liabilities

| Consolidated financial statements                      |                    |               |                |                |              |                |
|--------------------------------------------------------|--------------------|---------------|----------------|----------------|--------------|----------------|
|                                                        | 2020               |               |                | 2019           |              |                |
|                                                        | Secured            | Unsecured     | Total          | Secured        | Unsecured    | Total          |
|                                                        | (in thousand Baht) |               |                |                |              |                |
| Bank overdrafts                                        | -                  | -             | -              | 34,024         | -            | 34,024         |
| Short-term loans from financial institutions           | 12,210             | -             | 12,210         | 74,875         | -            | 74,875         |
| Long-term loans from financial institutions            | 117,369            | -             | 117,369        | 207,961        | -            | 207,961        |
| Lease liabilities<br>(2019: Finance lease liabilities) | -                  | 25,628        | 25,628         | -              | 5,384        | 5,384          |
| <b>Total interest-bearing liabilities</b>              | <b>129,579</b>     | <b>25,628</b> | <b>155,207</b> | <b>316,860</b> | <b>5,384</b> | <b>322,244</b> |

| Separate financial statements               |                    |              |                |                |           |                |
|---------------------------------------------|--------------------|--------------|----------------|----------------|-----------|----------------|
|                                             | 2020               |              |                | 2019           |           |                |
|                                             | Secured            | Unsecured    | Total          | Secured        | Unsecured | Total          |
|                                             | (in thousand Baht) |              |                |                |           |                |
| Long-term loans from financial institutions | 91,643             | -            | 91,643         | 135,071        | -         | 135,071        |
| Lease liabilities                           | -                  | 9,418        | 9,418          | -              | -         | -              |
| <b>Total interest-bearing liabilities</b>   | <b>91,643</b>      | <b>9,418</b> | <b>101,061</b> | <b>135,071</b> | <b>-</b>  | <b>135,071</b> |

As at 31 December 2020, the Group and the Company had outstanding long-term loans with financial institutions which are repayable within 2025. These loans are subject to interest at fixed rates of 4.75% per annum and at floating rates (BIBOR rate, plus 1.25% per annum, MLR rate per annum and MLR rate minus 1.0% per annum (2019: at fixed rates of 4.75% per annum and at floating rates (BIBOR rate, plus 1.25% per annum, MLR rate per annum and MLR rate minus 1.0% per annum)

Long-term credit facilities of the Group contain certain covenants such as dividend payment, pertaining to matters such as there shall be no effect on the total debt to equity ratio, loan repayment ability, and other conditions stipulated by the financial institutions.

The bank overdrafts and short-term credit facilities of a subsidiary are mortgaged by fixed deposit and guaranteed by certain directors of the subsidiary.

The long-term credit facilities are mortgaged by a majority of the land with premises and machinery of the Group.

## 15 Other payables

|                                |      | Consolidated<br>financial statements |                | Separate<br>financial statements |                |
|--------------------------------|------|--------------------------------------|----------------|----------------------------------|----------------|
|                                | Note | 2020                                 | 2019           | 2020                             | 2019           |
|                                |      | (in thousand Baht)                   |                |                                  |                |
| <b>Related parties</b>         | 5    | 1,697                                | 9,351          | 19,652                           | 7,410          |
| <b>Others</b>                  |      |                                      |                |                                  |                |
| Accrued operating expenses     |      | 164,298                              | 234,604        | 63,277                           | 80,540         |
| Deposits and advances received |      | 75,140                               | 73,320         | 1,028                            | 831            |
| Payable to Revenue department  |      | 19,677                               | 27,824         | 8,139                            | 12,506         |
| Others                         |      | 101,915                              | 109,101        | 15,940                           | 19,743         |
| <b>Total</b>                   |      | <b>362,727</b>                       | <b>454,200</b> | <b>108,036</b>                   | <b>121,030</b> |

## 16 Non-current provisions for employee benefits

|                                   | Consolidated<br>financial statements |                | Separate<br>financial statements |                |
|-----------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
|                                   | 2020                                 | 2019           | 2020                             | 2019           |
|                                   | <i>(in thousand Baht)</i>            |                |                                  |                |
| Defined benefit plan              | 266,730                              | 316,762        | 118,059                          | 122,781        |
| Other long-term employee benefits | 26,147                               | 33,229         | 7,295                            | 8,208          |
| <b>Total</b>                      | <b>292,877</b>                       | <b>349,991</b> | <b>125,354</b>                   | <b>130,989</b> |

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

| <i>Present value of the defined benefit obligations</i>        | Consolidated<br>financial statements |                | Separate<br>financial statements |                |
|----------------------------------------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
|                                                                | 2020                                 | 2019           | 2020                             | 2019           |
|                                                                | <i>(in thousand Baht)</i>            |                |                                  |                |
| At 1 January                                                   | 349,991                              | 259,052        | 130,989                          | 101,593        |
| <b>Include in profit or loss:</b>                              |                                      |                |                                  |                |
| Current service cost                                           | 31,368                               | 27,290         | 15,328                           | 10,018         |
| Past service cost                                              | -                                    | 27,538         | -                                | 5,222          |
| Interest on obligation                                         | 5,403                                | 6,827          | 1,964                            | 2,506          |
|                                                                | 36,771                               | 61,655         | 17,292                           | 17,746         |
| <b>Included in other comprehensive income</b>                  |                                      |                |                                  |                |
| Actuarial loss                                                 |                                      |                |                                  |                |
| - Demographic assumptions                                      | -                                    | 61             | -                                | -              |
| - Financial assumptions                                        | (195)                                | 39,537         | (169)                            | 13,715         |
| - Experience adjustment                                        | 13,106                               | 18,831         | 5,353                            | 12,645         |
|                                                                | 12,911                               | 58,429         | 5,184                            | 26,360         |
| <b>Others</b>                                                  |                                      |                |                                  |                |
| Benefit paid                                                   | (106,796)                            | (34,098)       | (28,111)                         | (14,710)       |
| Transferred employees as a result of acquisition of subsidiary | -                                    | 4,953          | -                                | -              |
|                                                                | (106,796)                            | (29,145)       | (28,111)                         | (14,710)       |
| <b>At 31 December</b>                                          | <b>292,877</b>                       | <b>349,991</b> | <b>125,354</b>                   | <b>130,989</b> |

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

| <i>Principal actuarial assumptions</i> | <b>Consolidated<br/>financial statements</b> |           | <b>Separate<br/>financial statements</b> |      |
|----------------------------------------|----------------------------------------------|-----------|------------------------------------------|------|
|                                        | 2020                                         | 2019      | 2020                                     | 2019 |
|                                        |                                              | (%)       |                                          |      |
| Discount rate                          | 1.50-1.60                                    | 1.60-1.75 | 1.60                                     | 1.60 |
| Future salary growth                   | 4.89-5.00                                    | 4.89-5.00 | 5.00                                     | 5.00 |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 8 - 10 years (2019: 10-12 years)

### *Sensitivity analysis*

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

| <i>Effect to the defined benefit obligation</i> | <b>Consolidated<br/>financial statements</b> |                    | <b>Separate<br/>financial statements</b> |          |
|-------------------------------------------------|----------------------------------------------|--------------------|------------------------------------------|----------|
|                                                 | Increase                                     | Decrease           | Increase                                 | Decrease |
|                                                 |                                              | (in thousand Baht) |                                          |          |

#### *At 31 December 2020*

##### **Defined benefit obligation**

|                                    |          |          |         |          |
|------------------------------------|----------|----------|---------|----------|
| Discount rate (0.5% movement)      | (13,931) | 14,983   | (5,492) | 5,875    |
| Future salary growth (1% movement) | 30,103   | (26,417) | 12,059  | (10,704) |

#### *At 31 December 2019*

##### **Defined benefit obligation**

|                                    |          |          |         |         |
|------------------------------------|----------|----------|---------|---------|
| Discount rate (0.5% movement)      | (11,192) | 12,014   | (3,850) | 4,115   |
| Future salary growth (1% movement) | 24,236   | (21,321) | 8,554   | (7,604) |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## **17 Share capital**

|                                         | Par value<br>per share<br>(in Baht) | 2020              |                 | 2019              |                 |
|-----------------------------------------|-------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                         |                                     | Number            | Baht            | Number            | Baht            |
|                                         |                                     | (thousand shares) | (thousand Baht) | (thousand shares) | (thousand Baht) |
| <b>Authorised shares at 31 December</b> |                                     | <b>425,194</b>    | <b>425,194</b>  | <b>425,194</b>    | <b>425,194</b>  |
| <i>Issued and paid-up shares</i>        |                                     |                   |                 |                   |                 |
| At 1 January                            |                                     |                   |                 |                   |                 |
| - Ordinary shares                       | 1                                   | 425,194           | 425,194         | 425,194           | 425,194         |
| <b>At 31 December</b>                   |                                     |                   |                 |                   |                 |
| - Ordinary shares                       | 1                                   | <b>425,194</b>    | <b>425,194</b>  | <b>425,194</b>    | <b>425,194</b>  |

### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

## **18 Legal reserves**

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

## **19 Segment information**

The Group has two reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

- *Segment 1* Pick-up axles and truck trunnion shafts
- *Segment 2* Other auto parts

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### Information about reportable segments

|                                                                    | Consolidated financial statements       |              |                  |              |              |               |                |              |
|--------------------------------------------------------------------|-----------------------------------------|--------------|------------------|--------------|--------------|---------------|----------------|--------------|
|                                                                    | Pick-up axles and truck trunnion shafts |              | Other auto parts |              | Total        |               | Elimination    |              |
|                                                                    | 2020                                    | 2019         | 2020             | 2019         | 2020         | 2019          | 2020           | 2019         |
| <b>For the year ended 31 December</b>                              |                                         |              |                  |              |              |               |                |              |
| External revenue from sale of goods and rendering of services      | 1,766                                   | 2,399        | 4,117            | 5,607        | 5,883        | 8,006         | -              | 5,883        |
| Inter-segment revenue from sale of goods and rendering of services | 119                                     | 149          | 1,594            | 2,142        | 1,713        | 2,291         | (1,713)        | (2,291)      |
| <b>Total</b>                                                       | <b>1,885</b>                            | <b>2,548</b> | <b>5,711</b>     | <b>7,749</b> | <b>7,596</b> | <b>10,297</b> | <b>(1,713)</b> | <b>8,006</b> |
| Profit before income tax                                           | 432*                                    | 552*         | 275              | 654          | 707          | 1,206         | (292)          | 415          |
| Segment assets                                                     | 5,580                                   | 5,635        | 6,746            | 7,005        | 12,326       | 12,640        | (3,371)        | 8,955        |
| Segment liabilities                                                | 718                                     | 702          | 1,953            | 2,184        | 2,671        | 2,886         | (806)          | 1,865        |

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

The Group's revenue is recognised at a point in time.

\*Profit before income tax included dividend income from subsidiary Baht 278 million (2019: Baht 199 million).

### Major customer

Revenues from certain customers of the Group represents approximately Baht 4,267 million (2019: Baht 5,909 million) of the Group's total revenues.

## 20 Provident fund

The defined contribution plan comprise provident fund established by the Group for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 6% of the employees' basic salaries. In 2020, the contributions of Baht 19.6 million and Baht 8.1 million were paid by the Group and the Company, respectively (2019: Baht 22.1million and Baht 9.2 million, respectively). The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

## 21 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

|                                                                 | Consolidated<br>financial statements |                  | Separate<br>financial statements |                  |
|-----------------------------------------------------------------|--------------------------------------|------------------|----------------------------------|------------------|
|                                                                 | 2020                                 | 2019             | 2020                             | 2019             |
|                                                                 | (in thousand Baht)                   |                  |                                  |                  |
| Employee benefit expenses                                       | 1,074,028                            | 1,330,357        | 363,474                          | 455,403          |
| Depreciation and amortisation expense                           | 619,851                              | 643,400          | 198,420                          | 215,669          |
| Raw materials and consumables used                              | 2,877,870                            | 3,988,093        | 934,913                          | 1,239,569        |
| Changes in inventories of finished goods<br>and work in process | 15,276                               | 10,508           | (19,442)                         | (7,198)          |
| (Reversal of) losses inventories<br>devaluation                 | 953                                  | 8,558            | 55                               | (1,247)          |
| Utilities expense                                               | 411,042                              | 537,321          | 103,265                          | 128,773          |
| Finance costs                                                   | 7,752                                | 10,664           | 3,285                            | 5,045            |
| Lease expense                                                   | 29,493                               | 45,338           | 7,691                            | 14,770           |
| Others                                                          | 578,364                              | 684,666          | 266,815                          | 324,835          |
| <b>Total expenses</b>                                           | <b>5,614,629</b>                     | <b>7,258,905</b> | <b>1,858,476</b>                 | <b>2,375,619</b> |

## 22 Income tax expense

### *Income tax recognised in profit or loss*

|                                       | Consolidated<br>financial statements |                | Separate<br>financial statements |               |
|---------------------------------------|--------------------------------------|----------------|----------------------------------|---------------|
|                                       | 2020                                 | 2019           | 2020                             | 2019          |
|                                       | (in thousand Baht)                   |                |                                  |               |
| <b>Current tax expense</b>            |                                      |                |                                  |               |
| Current year                          | 38,542                               | 107,002        | 27,862                           | 51,742        |
| Adjustment for prior years            | 498                                  | -              | -                                | -             |
|                                       | <b>39,040</b>                        | <b>107,002</b> | <b>27,862</b>                    | <b>51,742</b> |
| <b>Deferred tax expense</b>           |                                      |                |                                  |               |
| Movements in temporary<br>differences | 1,196                                | (7,244)        | (5,360)                          | (260)         |
| <b>Total income tax expense</b>       | <b>40,236</b>                        | <b>99,758</b>  | <b>22,502</b>                    | <b>51,482</b> |

| <b>Consolidated financial statements</b>            |                 |                        |                 |                 |                        |                 |
|-----------------------------------------------------|-----------------|------------------------|-----------------|-----------------|------------------------|-----------------|
|                                                     | Before<br>tax   | 2020<br>Tax<br>expense | Net of<br>tax   | Before<br>tax   | 2019<br>Tax<br>benefit | Net of<br>tax   |
| <i>Income tax</i>                                   |                 |                        |                 |                 |                        |                 |
| <i>Recognised in other<br/>comprehensive income</i> |                 |                        |                 |                 |                        |                 |
| Defined benefit plan<br>actuarial losses            | (12,911)        | 1,811                  | (11,100)        | (58,429)        | 8,799                  | (49,630)        |
| <b>Total</b>                                        | <b>(12,911)</b> | <b>1,811</b>           | <b>(11,100)</b> | <b>(58,429)</b> | <b>8,799</b>           | <b>(49,630)</b> |

| <b>Separate financial statements</b>                |                |                        |                |                 |                        |                 |
|-----------------------------------------------------|----------------|------------------------|----------------|-----------------|------------------------|-----------------|
|                                                     | Before<br>tax  | 2020<br>Tax<br>expense | Net of<br>tax  | Before<br>tax   | 2019<br>Tax<br>benefit | Net of<br>tax   |
| <i>Income tax</i>                                   |                |                        |                |                 |                        |                 |
| <i>Recognised in other<br/>comprehensive income</i> |                |                        |                |                 |                        |                 |
| Defined benefit plan<br>actuarial losses            | (5,184)        | 1,037                  | (4,147)        | (26,360)        | 3,822                  | (22,538)        |
| <b>Total</b>                                        | <b>(5,184)</b> | <b>1,037</b>           | <b>(4,147)</b> | <b>(26,360)</b> | <b>3,822</b>           | <b>(22,538)</b> |

| <b>Consolidated financial statements</b>                              |                     |                               |                     |                               |
|-----------------------------------------------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|
|                                                                       | 2020                | 2019                          |                     |                               |
| <i>Reconciliation of effective tax rate</i>                           | <i>Rate<br/>(%)</i> | <i>(in thousand<br/>Baht)</i> | <i>Rate<br/>(%)</i> | <i>(in thousand<br/>Baht)</i> |
| Profit before income tax expense                                      |                     | 414,999                       |                     | 998,424                       |
| Income tax using the Thai corporation tax rate                        | 20                  | 83,000                        | 20                  | 199,685                       |
| Income not subject to tax                                             |                     | (8,220)                       |                     | (44,171)                      |
| Expenses that can be additionally deductible<br>for tax purposes      |                     | (3,549)                       |                     | (10,875)                      |
| Recognition of previously unrecognised tax losses                     |                     | (41,993)                      |                     | (62,051)                      |
| Current year losses for which no deferred tax<br>asset was recognised |                     | 9,679                         |                     | 3,041                         |
| Expenses not deductible for tax purposes<br>and others                |                     | 1,319                         |                     | 14,129                        |
| <b>Total tax expense</b>                                              | <b>10</b>           | <b>40,236</b>                 | <b>10</b>           | <b>99,758</b>                 |

|                                                  | Separate financial statements |                    |          |                    |
|--------------------------------------------------|-------------------------------|--------------------|----------|--------------------|
|                                                  | 2020                          |                    | 2019     |                    |
| <i>Reconciliation of effective tax rate</i>      | Rate (%)                      | (in thousand Baht) | Rate (%) | (in thousand Baht) |
| Profit before income tax expense                 |                               | 432,407            |          | 552,071            |
| Income tax using the Thai corporation tax rate   | 20                            | 86,481             | 20       | 110,414            |
| Income not subject to tax                        |                               | (63,034)           |          | (57,660)           |
| Expenses that can be deductible for tax purposes |                               | (2,426)            |          | (6,256)            |
| Expenses not deductible for tax purposes         |                               | 1,481              |          | 4,984              |
| <b>Total tax expense</b>                         | <b>5</b>                      | <b>22,502</b>      | <b>9</b> | <b>51,482</b>      |

|                                | Consolidated financial statements |               | Separate financial statements |               |
|--------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
|                                | 2020                              | 2019          | 2020                          | 2019          |
| <i>Deferred tax</i>            | (in thousand Baht)                |               |                               |               |
| <i>At 31 December</i>          |                                   |               |                               |               |
| Deferred tax assets            | 58,640                            | 58,025        | 26,203                        | 19,806        |
| Deferred tax liabilities       | (246)                             | (246)         | -                             | -             |
| <b>Net deferred tax assets</b> | <b>58,394</b>                     | <b>57,779</b> | <b>26,203</b>                 | <b>19,806</b> |

|                               | Consolidated financial statements |                                                                    |                     |
|-------------------------------|-----------------------------------|--------------------------------------------------------------------|---------------------|
|                               | (Charged) / Credited to:          |                                                                    |                     |
|                               | At 1 January 2020                 | Profit or loss<br>Other comprehensive income<br>(in thousand Baht) | At 31 December 2020 |
| <i>Deferred tax assets</i>    |                                   |                                                                    |                     |
| Trade accounts receivable     | 728                               | 38                                                                 | 766                 |
| Inventories                   | 11,661                            | 602                                                                | 12,263              |
| Employee benefit obligations  | 45,636                            | (3,236)                                                            | 44,211              |
| Property, plant and equipment | -                                 | 1,400                                                              | 1,400               |
| <i>Deferred tax liability</i> |                                   |                                                                    |                     |
| Property, plant and equipment | (246)                             | -                                                                  | (246)               |
| <b>Total</b>                  | <b>57,779</b>                     | <b>(1,196)</b>                                                     | <b>58,394</b>       |

## Consolidated financial statements

|                               | At 1<br>January<br>2019 | (Charged) / Credited to:<br>Profit or<br>loss | Other<br>comprehensive<br>income<br>(in thousand Baht) | Acquired in<br>business<br>combination | At 31<br>December<br>2019 |
|-------------------------------|-------------------------|-----------------------------------------------|--------------------------------------------------------|----------------------------------------|---------------------------|
| <b>Deferred tax assets</b>    |                         |                                               |                                                        |                                        |                           |
| Trade accounts receivable     | -                       | 728                                           | -                                                      | -                                      | 728                       |
| Inventories                   | 6,219                   | 3,242                                         | -                                                      | 2,200                                  | 11,661                    |
| Employee benefit obligations  | 33,155                  | 3,274                                         | 8,799                                                  | 408                                    | 45,636                    |
| <b>Deferred tax liability</b> |                         |                                               |                                                        |                                        |                           |
| Property, plant and equipment | -                       | -                                             | -                                                      | (246)                                  | (246)                     |
| <b>Total</b>                  | <b>39,374</b>           | <b>7,244</b>                                  | <b>8,799</b>                                           | <b>2,362</b>                           | <b>57,779</b>             |

### Separate financial statements (Charged) / Credited to:

|                              | At 1<br>January<br>2020 | Profit or<br>loss | Other<br>comprehensive<br>income | At 31<br>December<br>2020 |
|------------------------------|-------------------------|-------------------|----------------------------------|---------------------------|
| <b>Deferred tax assets</b>   |                         |                   |                                  |                           |
| Inventories                  | 813                     | 319               | -                                | 1,132                     |
| Employee benefit obligations | 18,993                  | 5,041             | 1,037                            | 25,071                    |
| <b>Total</b>                 | <b>19,806</b>           | <b>5,360</b>      | <b>1,037</b>                     | <b>26,203</b>             |

### Separate financial statements (Charged) / Credited to:

|                              | At 1<br>January<br>2019 | Profit or<br>loss | Other<br>comprehensive<br>income | At 31<br>December<br>2019 |
|------------------------------|-------------------------|-------------------|----------------------------------|---------------------------|
| <b>Deferred tax assets</b>   |                         |                   |                                  |                           |
| Inventories                  | 993                     | (180)             | -                                | 813                       |
| Employee benefit obligations | 14,731                  | 440               | 3,822                            | 18,993                    |
| <b>Total</b>                 | <b>15,724</b>           | <b>260</b>        | <b>3,822</b>                     | <b>19,806</b>             |

|                                         | Consolidated<br>financial statements<br>2020 | 2019           | Separate<br>financial statements<br>2020 | 2019     |
|-----------------------------------------|----------------------------------------------|----------------|------------------------------------------|----------|
| <b>Unrecognised deferred tax assets</b> |                                              |                |                                          |          |
| Tax losses                              | 131,710                                      | 163,567        | -                                        | -        |
| <b>Total</b>                            | <b>131,710</b>                               | <b>163,567</b> | <b>-</b>                                 | <b>-</b> |

The tax losses expire during 2021 to 2025. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that there will be sufficient future taxable profit against which subsidiaries can utilise the benefits therefrom.

## 23 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to The privileges granted significantly include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations, to the extent that the amount of tax exemptions do not exceed investment capital exclusive of land and working capital;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

| <b>Consolidated financial statements</b> |                           |                                |                  |                        |                                |                  |
|------------------------------------------|---------------------------|--------------------------------|------------------|------------------------|--------------------------------|------------------|
|                                          | 2020                      |                                |                  | 2019                   |                                |                  |
|                                          | Promoted<br>businesses    | Non-<br>promoted<br>businesses | Total            | Promoted<br>businesses | Non-<br>promoted<br>businesses | Total            |
|                                          | <i>(in thousand Baht)</i> |                                |                  |                        |                                |                  |
| Export sales                             | 23,226                    | 237,083                        | 260,309          | 331,737                | 59,752                         | 391,489          |
| Local sales                              | 1,196,916                 | 6,138,392                      | 7,335,308        | 2,225,772              | 7,678,066                      | 9,903,838        |
| Eliminate                                | -                         | (1,713,058)                    | (1,713,058)      | (651,078)              | (1,638,660)                    | (2,289,738)      |
| <b>Total</b>                             | <b>1,220,142</b>          | <b>4,662,417</b>               | <b>5,882,559</b> | <b>1,906,431</b>       | <b>6,099,158</b>               | <b>8,005,589</b> |

| <b>Separate financial statements</b> |                           |                                |                  |                        |                                |                  |
|--------------------------------------|---------------------------|--------------------------------|------------------|------------------------|--------------------------------|------------------|
|                                      | 2020                      |                                |                  | 2019                   |                                |                  |
|                                      | Promoted<br>businesses    | Non-<br>promoted<br>businesses | Total            | Promoted<br>businesses | Non-<br>promoted<br>businesses | Total            |
|                                      | <i>(in thousand Baht)</i> |                                |                  |                        |                                |                  |
| Export sales                         | 23,226                    | 221,522                        | 244,748          | 331,737                | 34,995                         | 366,732          |
| Local sales                          | 356,423                   | 1,283,507                      | 1,639,930        | 210,024                | 1,971,213                      | 2,181,237        |
| <b>Total</b>                         | <b>379,649</b>            | <b>1,505,029</b>               | <b>1,884,678</b> | <b>541,761</b>         | <b>2,006,208</b>               | <b>2,547,969</b> |

## 24 Earnings per share

|                                                                                        | Consolidated<br>financial statements        |                | Separate<br>financial statements |                |
|----------------------------------------------------------------------------------------|---------------------------------------------|----------------|----------------------------------|----------------|
|                                                                                        | 2020                                        | 2019           | 2020                             | 2019           |
|                                                                                        | <i>(in thousand Baht / thousand shares)</i> |                |                                  |                |
| <i>Profit attributable to ordinary shareholders<br/>for the year ended 31 December</i> |                                             |                |                                  |                |
| Profit attributable to ordinary<br>shareholders of the Company (basic)                 | <u>371,202</u>                              | <u>894,640</u> | <u>409,905</u>                   | <u>500,589</u> |
| Number of ordinary shares outstanding                                                  | <u>425,194</u>                              | <u>425,194</u> | <u>425,194</u>                   | <u>425,194</u> |
| Earnings per share (basic) <i>(in Baht)</i>                                            | <u>0.87</u>                                 | <u>2.10</u>    | <u>0.96</u>                      | <u>1.18</u>    |

## 25 Dividends

The shareholders of the Company have approved dividends as follows

|                       | Approval date | Payment schedule | Dividend rate<br>per share<br><i>(Baht)</i> | Amount<br><i>(in million Baht)</i> |
|-----------------------|---------------|------------------|---------------------------------------------|------------------------------------|
| <b>2020</b>           |               |                  |                                             |                                    |
| Interim dividend 2020 | 6 August 2020 | September 2020   | 0.12                                        | 51                                 |
| Interim dividend 2019 | 6 April 2020  | April 2020       | 1.00                                        | 425                                |
|                       |               |                  |                                             | <u>476</u>                         |
| <b>2019</b>           |               |                  |                                             |                                    |
| Interim dividend 2019 | 8 August 2019 | September 2019   | 0.35                                        | 149                                |
| Annual dividend 2018  | 23 April 2019 | May 2019         | 1.00                                        | 425                                |
|                       |               |                  |                                             | <u>574</u>                         |

2020 interim dividends, totalling to Baht 51 million, were paid from the first six-months operation for the year 2020 in amounting to Baht 51 million, at Baht 0.12 per share which is derived from the non-promoted business.

The second 2019 interim dividends, totalling to Baht 425 million, were paid from the operation for the year 2019 in amounting to Baht 350 million, at Baht 0.82 per share and the retained earnings in amounting to Baht 75 million, at Baht 0.18 Baht per share.

The first 2019 interim dividends, totalling to Baht 149 million, were paid from the promoted business (BOI) in in amounting to Baht 27 million, at Baht 0.06 per share and non-promoted business in amounting to Baht 122 million, at Baht 0.29 Baht per share.

2018 annual dividends, totalling to Baht 425 million, were paid from the promoted business (BOI) in amounting to Baht 69 million, at Baht 0.16 per share and non-promoted business in amounting to Baht 356 million, at Baht 0.84 Baht per share.

## 26 Financial instruments

### (a) Carrying amounts and fair value

The following table shows the carrying amounts of financial assets and financial liabilities.

| <b>Consolidated financial statement</b>         |             |                                         |                                                  |                |
|-------------------------------------------------|-------------|-----------------------------------------|--------------------------------------------------|----------------|
| <b>Carrying amount</b>                          |             |                                         |                                                  |                |
|                                                 |             | Financial instruments measured at FVOCI | Financial instruments measured at amortised cost | Total          |
| <i>At 31 December 2020</i>                      | <i>Note</i> |                                         | <i>(in thousand Baht)</i>                        |                |
| <b>Financial assets</b>                         |             |                                         |                                                  |                |
| Short-term-loans to related parties             | 5           | -                                       | 200,000                                          | 200,000        |
| Other financial assets:                         |             |                                         |                                                  |                |
| Short-term deposits at financial institutions   |             | -                                       | 350,086                                          | 350,086        |
| Other long-term investments                     |             | 26,651                                  | -                                                | 26,651         |
| <b>Total financial assets</b>                   |             | <b>26,651</b>                           | <b>550,086</b>                                   | <b>576,737</b> |
| Non-cash financial assets pledged as collateral |             |                                         |                                                  |                |
| Restricted deposit at financial institution     | 14          | -                                       | 25,158                                           | 25,158         |
| <b>Financial liabilities</b>                    |             |                                         |                                                  |                |
| Loans from financial institutions               | 14          | -                                       | 129,580                                          | 129,580        |
| <b>Total financial liabilities</b>              |             | <b>-</b>                                | <b>129,580</b>                                   | <b>129,580</b> |

| <b>Separate financial statement</b>           |             |                                         |                                                  |                |
|-----------------------------------------------|-------------|-----------------------------------------|--------------------------------------------------|----------------|
| <b>Carrying amount</b>                        |             |                                         |                                                  |                |
|                                               |             | Financial instruments measured at FVOCI | Financial instruments measured at amortised cost | Total          |
| <i>At 31 December 2020</i>                    | <i>Note</i> |                                         | <i>(in thousand Baht)</i>                        |                |
| <b>Financial assets</b>                       |             |                                         |                                                  |                |
| Short-term-loans to related parties           | 5           | -                                       | 420,000                                          | 420,000        |
| Other financial assets:                       |             |                                         |                                                  |                |
| Short-term deposits at financial institutions |             | -                                       | 100,000                                          | 100,000        |
| <b>Total financial assets</b>                 |             | <b>-</b>                                | <b>520,000</b>                                   | <b>520,000</b> |
| <b>Financial liabilities</b>                  |             |                                         |                                                  |                |
| Loans from financial institutions             | 14          | -                                       | 91,643                                           | 91,643         |
| <b>Total financial liabilities</b>            |             | <b>-</b>                                | <b>91,643</b>                                    | <b>91,643</b>  |

Since the majority of financial assets and liabilities of the Group were short-term, interest rates of loans and borrowings are approximate to market rate. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position. Other long-term investments measured at adjusted net asset value as of the reporting date approximately to book value.



**(b) Financial risk management policies**

***Risk management framework***

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse 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, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

***(b.1) Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

***(b.1.1) Trade accounts receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 19.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

|                                                                                 |      | Consolidated<br>financial statements |                  | Separate<br>financial statements |                |
|---------------------------------------------------------------------------------|------|--------------------------------------|------------------|----------------------------------|----------------|
|                                                                                 | Note | 2020                                 | 2019             | 2020                             | 2019           |
|                                                                                 |      | (in thousand Baht)                   |                  |                                  |                |
| <b>Related parties</b>                                                          |      |                                      |                  |                                  |                |
| Within credit terms                                                             |      | 4,445                                | 4,593            | 31,304                           | 31,799         |
| Overdue:                                                                        |      |                                      |                  |                                  |                |
| Less than 3 months                                                              |      | -                                    | 41               | -                                | -              |
|                                                                                 | 5    | <u>4,445</u>                         | <u>4,634</u>     | <u>31,304</u>                    | <u>31,799</u>  |
| <b>Other parties</b>                                                            |      |                                      |                  |                                  |                |
| Within credit terms                                                             |      | 1,179,901                            | 1,250,217        | 384,002                          | 382,501        |
| Overdue:                                                                        |      |                                      |                  |                                  |                |
| Less than 3 months                                                              |      | 10,721                               | 58,123           | 4,386                            | -              |
| 3 - 6 months                                                                    |      | -                                    | 45,401           | -                                | -              |
| 6 -12 months                                                                    |      | 439                                  | 1,894            | -                                | -              |
| Over 12 months                                                                  |      | 14,532                               | 1,489            | -                                | -              |
|                                                                                 |      | <u>1,205,593</u>                     | <u>1,357,124</u> | <u>388,388</u>                   | <u>382,501</u> |
| Less allowance for expected credit loss (2019: allowance for doubtful accounts) |      | (3,828)                              | (2,576)          | -                                | -              |
|                                                                                 |      | <u>1,201,765</u>                     | <u>1,354,548</u> | <u>388,388</u>                   | <u>382,501</u> |
| <b>Net</b>                                                                      |      | <u>1,206,210</u>                     | <u>1,359,182</u> | <u>419,692</u>                   | <u>414,300</u> |

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. (2019: The normal credit term granted by the Group ranges from 30 days to 90 days.)

**Movement of allowance for expected credit loss of trade accounts receivables and contract assets**

|                              | Consolidated<br>financial statements<br>(in thousand Baht) |
|------------------------------|------------------------------------------------------------|
| At 1 January 2020 – restated | 2,576                                                      |
| Addition                     | 1,252                                                      |
| <b>At 31 December 2020</b>   | <u><b>3,828</b></u>                                        |

**(b.1.2) Cash and cash equivalent and derivatives**

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with a minimum credit rating of BBB- assigned by FitchRating, for which the Group considers to have low credit risk.

**(b.2) Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

| <b>Consolidated financial statements</b> |                  |                  |                                                              |                                         |                  |
|------------------------------------------|------------------|------------------|--------------------------------------------------------------|-----------------------------------------|------------------|
| Contractual cash flows                   |                  |                  |                                                              |                                         |                  |
| <i>At 31 December 2020</i>               | Carrying amount  | 1 year or less   | More than 1 year but less than 2 years<br>(in thousand Baht) | More than 2 years but less than 5 years | Total            |
| <b>Financial liabilities</b>             |                  |                  |                                                              |                                         |                  |
| Trade payables                           | 974,475          | 974,475          | -                                                            | -                                       | 974,475          |
| Other payables                           | 362,726          | 362,726          | -                                                            | -                                       | 362,726          |
| Accounts payable - purchase of assets    | 56,238           | 56,238           | -                                                            | -                                       | 56,238           |
| Loans from financial institutions        | 129,580          | 73,362           | 50,178                                                       | 10,279                                  | 133,819          |
| Lease liabilities                        | 25,628           | 15,276           | 7,554                                                        | 4,434                                   | 27,264           |
|                                          | <b>1,548,647</b> | <b>1,482,077</b> | <b>57,732</b>                                                | <b>14,713</b>                           | <b>1,554,522</b> |
| <b>Separate financial statements</b>     |                  |                  |                                                              |                                         |                  |
| Contractual cash flows                   |                  |                  |                                                              |                                         |                  |
| <i>At 31 December 2020</i>               | Carrying amount  | 1 year or less   | More than 1 year but less than 2 years<br>(in thousand Baht) | More than 2 years but less than 5 years | Total            |
| <b>Financial liabilities</b>             |                  |                  |                                                              |                                         |                  |
| Trade payables                           | 351,191          | 351,191          | -                                                            | -                                       | 351,191          |
| Other payables                           | 108,036          | 108,036          | -                                                            | -                                       | 108,036          |
| Accounts payable - purchase of assets    | 14,351           | 14,351           | -                                                            | -                                       | 14,351           |
| Loans from financial institutions        | 91,643           | 44,682           | 43,922                                                       | 4,795                                   | 93,399           |
| Lease liabilities                        | 9,418            | 6,386            | 3,419                                                        | -                                       | 9,805            |
|                                          | <b>574,639</b>   | <b>524,646</b>   | <b>47,341</b>                                                | <b>4,795</b>                            | <b>576,782</b>   |

| <b>Consolidated financial statements</b> |                                |                  |                                                             |                  |                |
|------------------------------------------|--------------------------------|------------------|-------------------------------------------------------------|------------------|----------------|
| <i>At 31 December</i>                    | Interest rate<br>(% per annum) | Within<br>1 year | Maturity period                                             |                  | Total          |
|                                          |                                |                  | After 1 year<br>but within 5<br>years<br>(in thousand Baht) | After 5<br>years |                |
| <b>2019</b>                              |                                |                  |                                                             |                  |                |
| <b>Financial Liabilities</b>             | FDR/BIBOR                      |                  |                                                             |                  |                |
| Loans from financial institutions        | +fixed, MOR,<br>MLR, MLR-1     | <b>199,300</b>   | <b>115,964</b>                                              | <b>1,595</b>     | <b>316,859</b> |
| <b>Separate financial statements</b>     |                                |                  |                                                             |                  |                |
| <i>At 31 December</i>                    | Interest rate<br>(% per annum) | Within<br>1 year | Maturity period                                             |                  | Total          |
|                                          |                                |                  | After 1 year<br>but within 5<br>years<br>(in thousand Baht) | After 5<br>years |                |
| <b>2019</b>                              |                                |                  |                                                             |                  |                |
| <b>Financial Liabilities</b>             | BIBOR                          |                  |                                                             |                  |                |
| Loans from financial institutions        | + fixed                        | <b>43,438</b>    | <b>91,643</b>                                               | <b>-</b>         | <b>135,081</b> |

**(b.3) Market risk**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

**(b.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

|                              | <b>Consolidated<br/>financial statements</b> |                 | <b>Separate<br/>financial statements</b> |                |
|------------------------------|----------------------------------------------|-----------------|------------------------------------------|----------------|
|                              | 2020                                         | 2019            | 2020                                     | 2019           |
|                              | <i>(in thousand Baht)</i>                    |                 |                                          |                |
| <b>United States Dollars</b> |                                              |                 |                                          |                |
| Cash and cash equivalents    | -                                            | 2               | -                                        | -              |
| Trade accounts receivable    | 66,076                                       | 66,231          | 66,076                                   | 66,231         |
| Other receivables            | -                                            | 65              | -                                        | -              |
| Trade accounts payable       | (2,913)                                      | (1,287)         | -                                        | -              |
| Other payables               | (2,624)                                      | (64)            | (2,624)                                  | -              |
| Accounts payable             |                                              |                 |                                          |                |
| - purchase of assets         | (11,433)                                     | -               | -                                        | -              |
| <b>Net exposure</b>          | <b>49,106</b>                                | <b>64,947</b>   | <b>63,452</b>                            | <b>66,231</b>  |
| <b>Japanese Yen</b>          |                                              |                 |                                          |                |
| Other receivables            | 19                                           | -               | -                                        | -              |
| Trade accounts payable       | (21,790)                                     | (20,684)        | (508)                                    | (1,929)        |
| Other payables               | (3,019)                                      | (1,057)         | -                                        | (717)          |
| Accounts payable             |                                              |                 |                                          |                |
| - purchase of assets         | (6,476)                                      | (1,316)         | (5,268)                                  | -              |
| <b>Net exposure</b>          | <b>(31,266)</b>                              | <b>(23,057)</b> | <b>(5,776)</b>                           | <b>(2,646)</b> |
| <b>Euro</b>                  |                                              |                 |                                          |                |
| Other payable                | (197)                                        | -               | -                                        | -              |
| <b>Net exposure</b>          | <b>(197)</b>                                 | <b>-</b>        | <b>-</b>                                 | <b>-</b>       |

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly floating rate. The Group is primarily exposed to interest rate risk from its borrowings (Note 14). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative, principally interest rate swaps, to manage exposure to fluctuations in interest rates on borrowings.

| <b>Exposure to interest rate risk at 31<br/>December</b>      | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|---------------------------------------------------------------|----------------------------------------------|----------------|------------------------------------------|----------------|
|                                                               | 2020                                         | 2019           | 2020                                     | 2019           |
|                                                               | <i>(in thousand Baht)</i>                    |                |                                          |                |
| <b>Financial instruments with fixed interest<br/>rates</b>    |                                              |                |                                          |                |
| Financial liabilities                                         | 7,800                                        | 35,200         | -                                        | -              |
|                                                               | <b>7,800</b>                                 | <b>35,200</b>  | <b>-</b>                                 | <b>-</b>       |
| <b>Financial instruments with variable<br/>interest rates</b> |                                              |                |                                          |                |
| Financial liabilities                                         | 121,780                                      | 281,659        | 91,643                                   | 135,081        |
|                                                               | <b>121,780</b>                               | <b>281,659</b> | <b>91,643</b>                            | <b>135,081</b> |

## 27 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

## 28 Commitments with non-related parties

|                                                 | Consolidated<br>financial statements |            | Separate<br>financial statements |           |
|-------------------------------------------------|--------------------------------------|------------|----------------------------------|-----------|
|                                                 | 2020                                 | 2019       | 2020                             | 2019      |
|                                                 | <i>(in million Baht)</i>             |            |                                  |           |
| <b>Capital commitments</b>                      |                                      |            |                                  |           |
| Machinery and equipment                         | 13                                   | 14         | -                                | -         |
| <b>Total</b>                                    | <b>13</b>                            | <b>14</b>  | <b>-</b>                         | <b>-</b>  |
| <b>Other commitments</b>                        |                                      |            |                                  |           |
| Short-term lease commitments                    | 11                                   | 38         | 3                                | 16        |
| Unused letters of credit for goods and supplies | 21                                   | 20         | 3                                | -         |
| Bank guarantees                                 | 47                                   | 64         | 14                               | 16        |
| <b>Total</b>                                    | <b>79</b>                            | <b>122</b> | <b>20</b>                        | <b>32</b> |

The Group entered into technical assistance agreements with several foreign companies covering assistance of the production processes, whereby the Group is to pay fees at the rate as specified in the agreements. The agreements are valid for 5 years, expiring in various periods up to 2020, and are renewable for a further 5 years.

## 29 Events after the reporting period

### *Dividends*

At the Board of Directors' meeting of the Company held on 18 February 2021, the Board of Directors approved the appropriation of dividends for the year 2020 at the rate of Baht 0.60 per share, totalling Baht 255 million which will be paid from the operation for the year 2020. The interim dividends at the rate of Baht 0.12 per share, in amounting to Baht 51 million were paid in September 2020. Therefore, the remaining dividends of Baht 0.48 per share, in amounting to Baht 204 million will be paid to shareholders in May 2021.