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รายงานประจำปี 2563

บริษัท สตาร์ค คอร์ปอเรชั่น จำกัด (มหาชน)

Stark Corporation Public Company Limited

Message from the Chairman

Stark Corporation Public Company Limited (“STARK”) is considered a newcomer to The Stock Exchange of Thailand in July, 2019 which a Holding company. The subsidiary company that STARK’s 99% holding is Phelps Dodge International (Thailand) Co., Ltd. (“PDITL”) and PDITL as a main business that drive STARK’s business successfully. PDITL is a leader in wire and cable market on Top Major in Thailand, with technology in production of technology Vertical Continuous Vulcanization (VCV) by the first and only one in Southeast Asia with driving long - term business more than 40 years ago and then STARK held shares and entered to the Stock Exchange of Thailand, It is worth keep every close an eye on the all investors.

In 2020, the current coronavirus (COVID-19) pandemic is the biggest challenge for the world must face the situation of the spread of the virus that result in an interruption of the business's operation with has many impacts on the economy, society and environment around the world. But STARK Continue to develop all products and services to business expansion continuously. In March, 2020 the Company and its subsidiary company acquired shares in Thinh Phat Cables Joint Stock Company (“Thipha Cables”) and Dong Viet Non-Ferrous Metal And Plastic Joint Stock Company (“Dovina”) When PDITL combined with Thipha Cables and Dovina which can continuously create value for the company especially the opportunity to expand overseas markets and grow strongly in the future as well.

In April 2020, despite the internal and external economic fluctuations every business has been affected by the economic downturn that caused some businesses to slow down. But STARK still continues to move the business forward that PDITL invested in Thai Cable International Co., Ltd. (“TCI”), which manufactures of small electric wires and cables through the entire share purchase of NMN Holding 2 Co., Ltd. (“NMN2”) that helps STARK strengthen to be even stronger when PDITL combined with Thipha Cables, Dovina and TCI, we are the Global top 14th manufacturer of wires and cables and move forward into becoming the Global top 10th manufacturer of wires and cables.

Finally, on behalf of the board of the directors, executives and all employees, I would like to thank you shareholders and all stakeholders that their trust, confidence and and supports the Company's business operations as well. We are committed to our mission to maintain organization and create secure growth steadily sustainably for the future and will give pride and deliver sustainable value to all stakeholders with our vision “To be ultra-competitive in everything we do”.

- Mr. Chanin Yensudchai -

(Mr. Chanin Yensudchai)

Chairman

Stark Corporation Public Company Limited

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Part 1

Business Overview

1 Policy and Business Overview

Business Overview

Stark Corporation Public Company Limited (“**STARK**”) is a holding company which subsidiary companies are major wire and cable manufacturers with over 50 years of experience in the industry. In addition to wire and cable business, STARK operates manpower services business.

Wire and Cable Business

STARK’s subsidiary companies conduct wire and cable business in Thailand and Vietnam as follows:

Wire and cable business in Thailand: Phelps Dodge International (Thailand) Limited (“**PDITL**”) and Thai Cable International Co., Ltd. (“**TCI**”);

Wire and cable business in Vietnam: Thinh Phat Cable Joint Stock Company (“**Thipha Cables**”) and Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company (“**Dovina**”)

Such subsidiary companies manufacture and sell wires and cables in 4 product categories: 1) medium to extra-high voltage wires, 2) special-purpose wires, 3) low-voltage wires and other wires for building use, and 4) bare conductors.

STARK owns and operates 3 production facilities in Thailand (Bangplee Plant, Rayong Plant, and Samut Sakorn Plant) and 2 in Vietnam. The combination of a diversified product enables STARK to service diversified and fast-growing markets.

Our customers comprise governments, state-owned enterprises, distributors, and developers and owners operating in the power plant, infrastructure, public transportation, petrochemical, oil and gas, and real estate industries.

Significant projects which have used our wires and cables are set out below:

Project	Location	Customer
Mae Moh Power Plant	Mae Moh District, Lampang Province	The EGAT
PTTLNG Receiving Terminal Expansion Phase II	Rayong, Thailand	PTT LNG Company Limited
132kV Sub-station Project	Culcutta, India	Regent Electro Mech Pvt Ltd

Project	Location	Customer
Terminal 21 Korat	Korat, Thailand	Siam Retail Development Company Limited
Blueport Huahin	Huahin, Thailand	Huahin Asset Co., Ltd.
BITEC 2	Bangkok, Thailand	Bhiraj Buri Group
Delhi Metro Rail Project	Delhi, India	ABB India Limited
Vinh Airport	Hanoi, Vietnam	Airport Corporation of Vietnam
Mahanakhon Building	Bangkok, Thailand	King Power MahaNahon Plc.
Integrated Liquefied Natural Gas Project	Queensland, Australia	General Cable Australia
Muscat International Airport Project	Muscat, Oman	Bahwan Engineering Group
TATA Steel Kalinganagar Plant Project	Jajpur, India	TATA Steel Limited

Manpower Services Business

STARK's subsidiary company, Adisorn Songkhla Co., Ltd. ("ADS"), provides the following logistics services: 1) off-shore manpower and human resource services; 2) engineering services such as vessel cleaning, off-shore construction services, fabrication and maintenance services; and rental services of warehouse, equipment and machinery.

STARK aims to provide our customers with high quality products and services, and innovative solutions to better service their needs. For instance, PDITL is the only domestic producer in Thailand of insulated extra-high voltage wires which are manufactured under rigorous product quality control and subject to numerous certifications. PDITL was also the first and is the only company in Thailand to introduce a High Voltage Mobile Testing Unit

enabling PDITL to provide on-site high voltage testing services to our customers for their installed wire systems in compliance with International Electrotechnical Commission (IEC) standards.

Mission Strategies Goals of STARK

Mission

“To be ultra-competitive in everything we do”

Strategies and Goals

STARK believes that the strategies described below support the positive outlook of our businesses.

STARK intends to penetrate new markets using existing capacity and via accretive acquisitions of businesses that are complementary in terms of product offering, market presence, and distribution pipeline.

STARK has developed a sustainable approach to mergers and acquisitions and investments, with a particular focus on opportunities that complement our product offering, increase our market presence, further expand our distribution pipeline, and rely on the availability of international trade agreements which would facilitate exports. STARK continues to refine our merger and acquisition strategy and selection criteria for potential targets based on past experience. Such criteria include the ability to, and potential for, extending our product offerings, entering into complementary or new end-markets, acquiring new technologies and skills, creating revenue and cost synergies, and extending our customer coverage.

STARK intends to unlock further value in our Group for our shareholders and maintain cost competitiveness with optimized manufacturing processes and a lean management system.

STARK intends to restructure PDITL as an International Business Center in Thailand. In order to qualify as an International Business Center, we expect that PDITL will provide support services (e.g., corporate or IT, etc.) to our other subsidiaries.

STARK seeks to increase cost competitiveness through the procurement of raw materials from key suppliers and to further optimize our supply chain processes. STARK has consolidated our metal purchase orders with PDITL for both our Thai and Vietnamese operations. With our recent acquisitions and synergies expected from a more integrated procurement platform together with increased bargaining power from larger consolidated orders. STARK has been able to negotiate longer credit terms and better prices, and we will seek to extend such more advantageous credit terms to our new subsidiaries in Vietnam.

STARK will also continue to adopt a lean management team with a cross-function matrix in order to keep operating expenses low. Our subsidiaries will continue to be run by similar management teams to ensure greater oversight across operations.

STARK intends to continue focusing on the manufacture of extra-high, high and medium voltage wires and cables to sustain high profit margins.

STARK intends to increase the sales of our higher margin products. These products comprise our medium to extra-high voltage wires and special-purpose wires. STARK also intends to reduce our sales of bare conductors as they carry lower margins.

In particular, with our acquisition of Thipha Cables and Dovina, STARK intend to significantly increase our overall production capacity of high voltage products, and supplement our distribution channels, offer of, and expertise in extra-high and high voltage wires. PDITL's track record would also help enhance the ability for Thipha Cables to participate in tenders for larger products. STARK also expect to be able to expand our production with minimal capital injection, since the Long An production facility is currently equipped to manufacture extra-high and high voltage wires and cables (including an existing high voltage testing room).

The manufacture of high voltage wire and special-purpose wires will support the growth of the renewable energy sector, submarine cables and aerospace industry.

STARK will continue to cross-sell across voltage segments, leveraging our market leadership and strength in the high voltage cable products, and to expand domestic distribution channels.

Building upon our expertise and reputation in the high voltage cable products, STARK has established distribution channels in Thailand for a full spectrum of wire products across the B2G, B2B, B2C and export channels. We believe that we can leverage ADS's customer base to further introduce our wires and cables to new customers in the oil and gas industry. STARK intends to continue expanding our B2C and export channels within Thailand.

Our focus in Vietnam has historically been on the B2G and B2B channels. STARK sees an opportunity to further use additional channels such as through manufacturing our products in Vietnam for B2C and export. As a result, STARK is in the process of expanding our marketing and distribution department. One of our objectives is to sell to approximately 2,000 distributors in Vietnam.

STARK intends to continue exporting with a target to export up to 50 countries by 2022. STARK believes that our export business will grow and our products are competitively priced.

STARK intends to strengthen our leading market position in the Thai and Vietnam wires and cables industry.

Growing power demand is expected to increase due to urbanization and industrialization, and this will require improved connectivity to the power grids, the rise of renewable energies and infrastructure developments. This is expected to have a positive effect on the demand for electric wires and cables. In Vietnam, with strong economic growth, increased power demand, and a number of mega-projects, particularly in the power sector, key demand drivers for the wires and cables industry are similar to those observed in Thailand. The electric vehicles and smart city developments in ASEAN are also expected to drive the use of wires and cables. STARK believes that we are well placed to service this increase in demand as PDITL is the only domestic producer in Thailand of insulated extra-high voltage wires. We intend to continue securing new tenders for public sector infrastructure projects, as well as large private sector projects.

In order to meet increased demand for wire and cable products, STARK intends to increase our production of products by increasing the utilization of newly installed capacity at each of our Rayong and Bang Plee production facilities. STARK intends to increase OEE by reducing switching times between production lines, thereby increasing capacity without additional capital expenditure. STARK also intends to improve the competitiveness of our Samut Sakhon production facility through an increase of capacity and OEE. With an enlarged manufacturing footprint, STARK expects to have greater flexibility in terms of managing production across our production facilities thereby delivering more bespoke orders and maximizing overall utilization.

History and Significant Developments

STARK (formerly known as Siam Intermultimedia Public Company Limited (“SMM”)) was established in 1990. SMM was previously involved in the production and distribution of books and other printed items television and radio production, sales of copyrights for television and satellite broadcasting and other publishing services. On July 9, 2019, SMM entered into an entire business transfer agreement in respect of the transfer by Team A Holding 2 Company Limited (“TAH2”) of its shares in PDITL and PDTL Trading Company Limited (“PDTL Trading”), and the liabilities of PDITL, to SMM, for a consideration of THB 13 billion, payable by way of shares amounting to an aggregate 95.6% interest in SMM. The controlling shareholder of TAH2 is Mr. Vonnarat Tangkaravakoon, director and controlling shareholder of STARK. On August 15, 2019, STARK completed the divestment of media business.

PDITL was founded in 1968 by way of a joint venture between a major Thai electric wire manufacturer and Phelps Dodge Corporation, an established copper mining company founded in the United States in 1834. In 2015, TAH2 acquired a 75.5% equity stake in PDITL and changed the composition of PDITL’s board to Thai executives. PDITL kept a large proportion of their existing personnel who had the track record, experience, knowledge and expertise in the electric wire business. In 2019, TAH2 increased its interest in PDITL to %99.3, and STARK subsequently acquired PDITL later that year.

In December 2019, STARK acquired the entire business transfer of ADS, which provides logistics services such as offshore manpower, engineering and rental services to customers in the oil and gas industry. STARK believe that STARK can leverage ADS customer base to introduce wires and cables to these contacts in the oil and gas industry.

In March 2020, STARK purchased the whole shares in Thipha Cables and Dovina, which manufacture of electric wires and cables thereby expanding our operations into the Vietnam market.

In April 2020, PDITL invested in TCI, which manufactures of small electric wires and cables through the entire share purchase of N M N Holding 2 Co., Ltd. (“NMN2”)

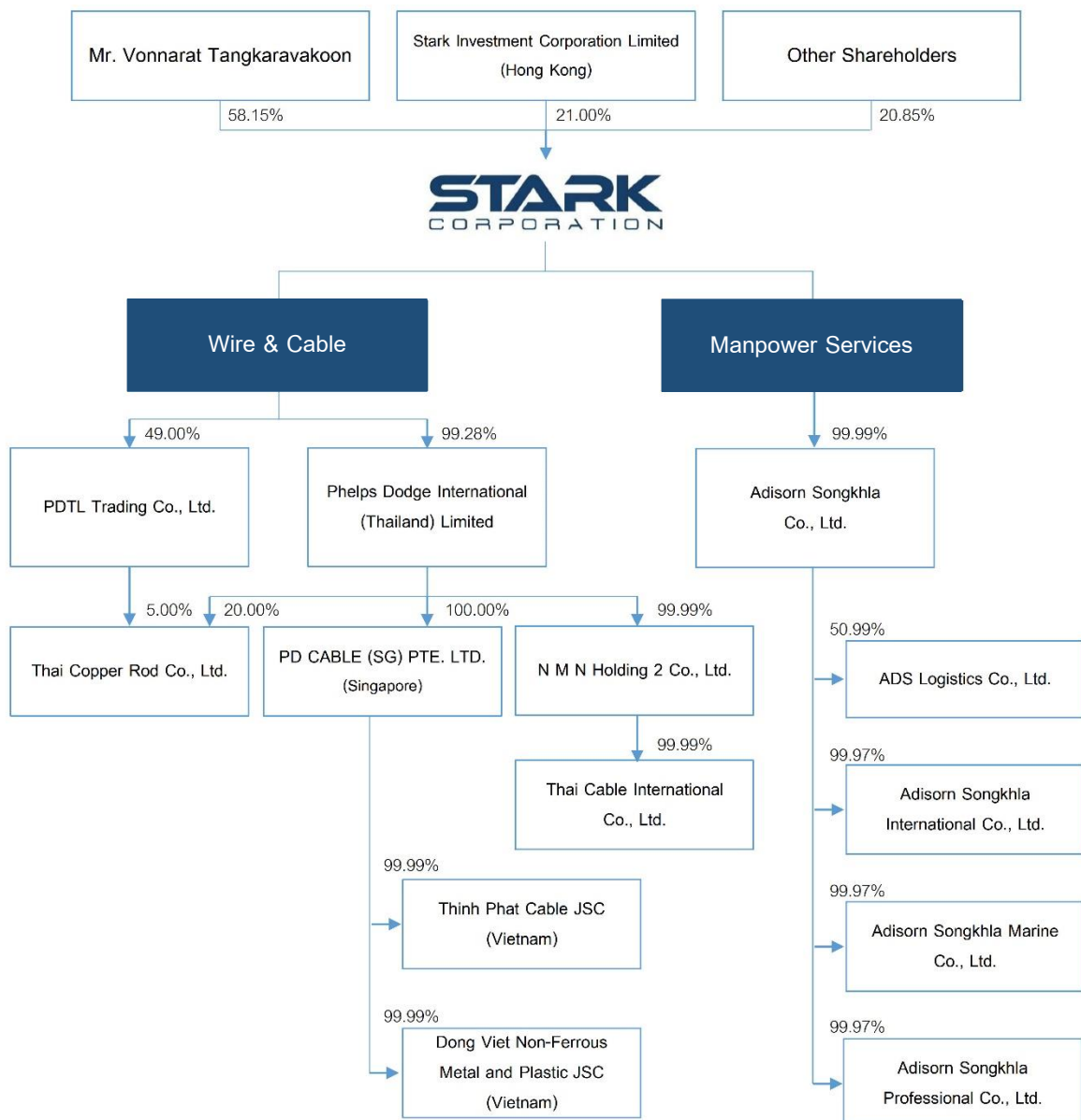
Significant Events in 2020

- 2020
- March 31, 2020, STARK purchased the whole shares of Thipha Cables and Dovina, which manufacture of electric wires and cables, incorporated under the laws of the Socialist Republic of Vietnam.
 - April 1, 2020, PDITL invested in TCI, which manufactures of small electric wires and cables through the entire share purchase of NMN2.
 - April 14, 2020, ADS entered service agreements to render manpower services and engineering services to group Chevron Thailand Exploration and Production Co., Ltd. and group of PT Exploration and Production PCL with the total project value of THB 4,330 mm.
 - July 15, 2020, STARK registered the reduction of the Company's registered capital by changing the par value of shares from THB 0.59 per share to be THB 0.50 per share, with the Department of Business Development, the Ministry of Commerce, to compensate for the Company's shares discounts and accumulated loss.
 - November 12, 2020, the Stock Exchange of Thailand announced that STARK met the free float requirement.
 - December 17, 2020, the Extraordinary General Meeting of Shareholders No. 2/2020 resolved to approve the issuance of the warrants to purchase newly issued ordinary shares of the Company Series 1 (STARK-W1) for allocation to the Company's existing shareholders at the ratio of 3 existing ordinary shares to 1 unit of STARK-W1 Warrants at THB 0.00 per unit.
 - December 18, 2020, STARK registered the reduction of the Company's registered capital from THB 12,149,404,955.50 to THB 11,906,404,955.50, by canceling 480,000,000 unsold ordinary shares with a par value of THB 0.50 per share, remaining from the public offering of newly issued ordinary shares, with the Department of Business Development, the Ministry of Commerce.
 - December 21, 2020, STARK registered the increase of the Company's registered capital by THB 3,968,801,651.50 from THB 11,906,404,955.50 to be THB 15,875,206,607 by issuing 7,937,603,303 newly issued ordinary shares with a par value of THB 0.50 per share for Mr. Vonnarat Tangkaravakoon in the amount of 1 share (to accommodate for the change of the par value of the Company's shares and has to fraction after such change) and to accommodate the exercise of the STARK-W1 Warrants for allocation to the Company's existing shareholders in the amount of 7,937,603,302 shares with the Department of Business Development, the Ministry of

Commerce. On the same date, STARK received the payment for 1 newly issued ordinary shares from Mr. Vonnarat Tangkaravakoon.

- December 23, 2020, STARK registered the change of par value of the Company's shares by way of reverse stock split from THB 0.50 per share to be THB 1.00 per share with the Department of Business Development, the Ministry of Commerce.
- December 29, 2020, start trading with the new par value.

Company Group Structure as at December 31, 2020



Details of the Subsidiaries and Associated Company
Wire and Cable

Name of Subsidiary/ Associated Company	Country of Incorporation	Type of Business	Effective Ownership Interest (%)
(1) Phelps Dodge International (Thailand) Limited	Thailand	Wires and cables manufacturer and distributor	99.28
(2) PD Cable (SG) Pte. Ltd.	Singapore	Holding company	100.00
(3) Thinh Phat Cables JSC	Vietnam	Manufacturer of electric wires, cables, and non-ferrous products	99.99
(4) Dong Viet Non-Ferrous Metal and Plastic JSC	Vietnam	Manufacturer of non-ferrous metals and plastics for electric wires and cables	99.99
(5) N M N Holding 2 Co., Ltd.	Thailand	Holding company	99.99
(6) Thai Cable International Co., Ltd.	Thailand	Manufacturer of electric wires and small cables	99.99
(7) PDL Trading Co., Ltd.	Thailand	Telephone and telecommunications equipment wholesale	49.00
(8) Thai Copper Rod Co., Ltd.	Thailand	Copper products manufacturer	25.00

Manpower Services

Name of Subsidiary/ Associated Company	Country of Incorporation	Type of Business	Effective Ownership Interest (%)
(1) Adisorn Songkhla Co., Ltd.	Thailand	Offshore manpower, property rental, logistics and engineering service provider	99.99
(2) ADS Logistics Co., Ltd.	Thailand	Property rental service provider	50.99
(3) Adisorn Songkhla International Co., Ltd.	Thailand	Offshore manpower and engineering service provider	99.97

Name of Subsidiary/ Associated Company	Country of Incorporation	Type of Business	Effective Ownership Interest (%)
(4) Adisorn Songkhla Marine Co., Ltd.	Thailand	Offshore manpower and engineering service provider	99.97
(5) Adisorn Songkhla Professional Co., Ltd.	Thailand	Offshore manpower and engineering service provider	99.97

2 Nature of Business

Revenues

	Year Ended December 31,			
	2019		2020	
	THB (Million)	%	THB (Million)	%
Revenue from sales	10,149.58	86.31	15,070.71	85.82
Revenue from rendering services	1,330.57	11.31	1,744.51	9.93
Rental income	48.70	0.41	42.82	0.24
Interest income	68.67	0.58	19.03	0.11
Gain on foreign exchange rate -net	151.97	1.29	645.33	3.67
Other income	10.19	0.09	40.61	0.23
Revenues	11,759.67	100.00	17,563.01	100.00

Revenue from sales STARK revenue from sales consists of revenue from sales of our products from our wires and cables business, which falls within four main categories of products:

- Medium to extra-high voltage wires;
- Special-purpose wires;
- Low-voltage wires and other wires for building use; and
- Bare conductors

	Year Ended December 31,			
	2019		2020	
	THB (Million)	THB (Million)	THB (Million)	THB (Million)
Medium to extra-high voltage wires	2,389.42	23.53	3,475.02	23.06
Special-purpose wires	632.89	6.24	621.56	4.12
Low-voltage wires and other wires for building use	4,378.82	43.14	3,612.08	23.97
Bare conductors	2,749.45	27.09	1,645.25	10.92
Revenue from sales in Thailand	10,149.58	100.00	9,729.92	64.56
Revenue from sales in Vietnam	-	-	5,340.49	35.44

	Year Ended December 31,			
	2019		2020	
	THB (Million)	THB (Million)	THB (Million)	THB (Million)
Revenue from sales	10,149.58	100.00	15,070.71	100.00

Revenue from rendering services As part of our service offering, STARK offers offshore manpower services (with skilled employees experienced in a variety of fields such as engineering, construction and architecture), vessel cleaning, construction and maintenance services primarily for customers in the oil and gas industry through ADS, and testing services provided by our High Voltage Mobile Testing Unit through PDITL. The main source of our revenue from rendering services originates from the logistics business conducted by ADS. Testing services are provided as part of our wires and cables business' offering.

	Year Ended December 31,			
	2019		2020	
	THB (Million)	THB (Million)	THB (Million)	THB (Million)
Revenue from offshore manpower services	1,238.56	93.09	1,530.69	87.75
Revenue from vessel cleaning and construction and maintenance services	83.45	6.27	129.15	7.40
Revenue from testing services	8.56	0.64	84.67	4.85
Revenue from rendering of services	1,330.57	100.00	1,744.51	100.00

Rental income STARK generates rental income from (1) investment properties, (2) rental properties (primarily warehouse space), and (3) equipment (such as power generators, air compressors and welding machines). Our logistics business, conducted through ADS, generates 100% of our rental income.

	Year Ended December 31,			
	2019		2019	
	THB (Million)	THB (Million)	THB (Million)	THB (Million)
Rental income from investment properties	16.88	34.66	14.80	34.55
Rental income from rental properties	24.82	50.97	21.36	49.88
Rental income from rental equipment	7.00	14.37	6.66	15.57
Rental income	48.70	100.00	42.82	100.00

Interest income Interest income primarily consists of interest from short- and long-term loans to connected parties. Such income also includes interest earned on bank deposits. In our 2020 Financial Statements, "interest income" has been renamed "finance income"

Gain on foreign exchange rate -net Gain on foreign exchange rate consists principally of our net realized (considered as operating profit) and unrealized (considered as non-operating profit) foreign exchange gains incurred principally on account receivables, account payables and other payables that are not denominated in Thai Baht. Our foreign currency exposure is to the United States dollar.

Other income STARK generates insignificant income from activities which are not directly related to our two core businesses, such as gains on sales of assets, and dividends from subsidiaries and an associate.

2 Nature of Business

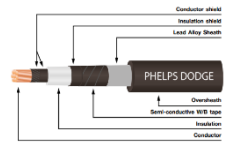
Nature of Product and Service

Wire & Cable

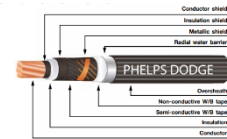
STARK's product offering focuses on wires and cables (which are made of copper or aluminum) that fall into 4 product categories:

- **Medium to Extra-High Voltage Wires**

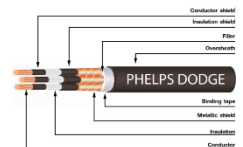
Extra-high voltage wires have a voltage range of greater than 230 kV. These wires are generally manufactured using VCV technology. PDITL is able to test extra-high voltage wires at our in-house high voltage testing laboratory and the High Voltage Mobile Testing Unit. Extra-high voltage wires are primarily used for overhead, underground and sub-sea high-voltage power transmission. They are typically used in power plant projects.



High voltage wires have a voltage range of between 100 kV to 230 kV. These wires are generally manufactured using VCV. High voltage wires are primarily used for overhead, underground and sub-sea transmission. They are typically used in power plant, renewable energy, and petrochemical projects.

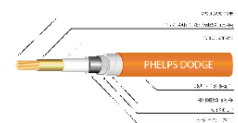


Medium voltage wires have a voltage range of 3 kV to 100 kV. Medium voltage wires are primarily used for railway (e.g., sky trains), oil and gas, power plants, petrochemical or industrial projects. They are also used in electricity distribution systems.



We generally distribute our medium to extra-high voltage wires through the B2G and B2B channels.

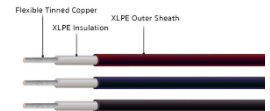
- **Specialty Wires** do not have a prescribed voltage range. Instead they have unique features which are customizable to our customers' requirements. For instance, such wires may be fire resistant, ultraviolet light resistant, have signaling capacity, or are water proof and suitable for use underwater, They



are used in a variety of projects and buildings such as railways (e.g., sky trains), oil and gas plants, petrochemical plants, solar projects, hospitals and airports.

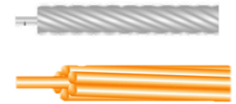
We generally distribute our specialty wires through our B2G, B2B, B2C and export channels.

- **Low Voltage Wires and Other Wires for Building Use** have a voltage range of 3 kV or less. They are often used in railway, oil and gas, power plants or industrial projects. They are also used generally in electricity distribution systems. Such wires are used within buildings for individual consumption.



We generally distribute our low voltage and other such wires through our B2G, B2B, B2C and export channels.

- **Bare Conductors** have a voltage range of up to 500 kV. These wires are resistant to high temperatures and have low sag. These production process is less complicated compared to the insulated wires and cables.



We generally distribute our bare conductors through our B2G and B2B channels.

STARK Wire & Cable Business in Thailand

STARK operates our wires and cables business in Thailand through PDITL. We manufacture the full spectrum of wires from medium to extra-high voltage wires, special-purpose wires, low-voltage wires and other wires for building use, and bare conductors at the Bang Plee District, Rayong and Samut Sakhon production facilities in Thailand. We distribute our products via B2G, B2B, B2C and exports channels.

PDITL has been at the forefront of innovation in the electric wire business in Thailand. For instance, in 1993, PDITL was the first manufacturer in Thailand to utilize VCV for the production of wires and cables, enabling the production of extra-high voltage wires.

In 2017, PDITL was the first company in Thailand to introduce a High Voltage Mobile Testing Unit, to provide on-site high voltage testing services to customers for their installed wire systems, in compliance with International Electrotechnical Commission (IEC) standards. In fact, PDITL is the only domestic producer in Thailand of insulated extra-high voltage wires which are manufactured under rigorous product quality control and subject to numerous certifications. PDITL continues to focus on higher margin products such as medium to high voltage wires, and specialty wires.

TCI, which was formed through the amalgamation of (a) Thai Cable Intertec Co., Ltd., (b) Green Electric Cable (Thailand) Company Limited and (c) Siam Copper Rod 2015 Co., Ltd. in 2019, further complements PDITL's range of higher margin products, and through their focus on low voltage wires, the acquisition of TCI has enabled us to offer our customers a full spectrum of wire products.

STARK Wire & Cable Business in Vietnam

Prior to our acquisition of Thipha Cables and Dovina, Thipha Cables focused on the manufacture of low to medium voltage wires, and bare conductors, while Dovina imported raw materials, such as copper cathode and aluminum ingot, and manufactured non-ferrous metal products, such as copper rods, round copper wires, tinned copper wires, aluminum rods, round aluminum wires and various PVC composites. Their production facility is located in Long An, Vietnam. Thipha Cables and Dovina distributed their products largely through B2G and B2B. Dovina also sold the abovementioned raw materials as part of its business.

From December 2019 and in the first half of 2020, Dovina progressively ceased exporting its products to India, primarily exporting products as required under pre-existing contractual obligations.

Following our acquisition of Thipha Cables and Dovina, as the Long An production facility is equipped to manufacture extra-high and high voltage wires and cables (including a high voltage testing room which can test wires and cables with voltages up to 400 kV), STARK intends to transfer PDITL's knowledge and expertise in extra-high and high voltage wires and cables to our Vietnam subsidiaries, commence the production of such products in Vietnam, thereby increasing our Group's overall production of high voltage products to meet the increased demand for such products.

Production Facilities and Capacity

STARK currently has 3 production facilities in Thailand and 1 in Vietnam. As at December 31, 2020, our name plate production capacity of copper wires and cables increased to 131,400 MT/year and our name plate capacity of aluminum wires and cables increased to 91,200 MT/year. This was attributable to the increase in our production capacity of copper wires and cables in Thailand by 11,000 MT/year and 10,000 MT/year at our Bang Plee and Rayong production facilities, respectively. PDITL installed a new high voltage 150 mm production line for high and extra-high voltage wires at Bang Plee, and an additional production line for low to medium voltage wires at Rayong in the first half of 2020.

With regard to the production of wire and cable products, the main part is operated from the production facilities in Thailand and Vietnam as follows:

Bang Plee production facility is located at 159, Moo 10, Soi Wat Ratchaburana, Theparak Km.17, Bangpa, Bangplee, Samutprakarn 10540, and is approximately 45 acres. At this production facility, using our VCV technology, we are able to manufacture medium to high voltage wires.

Rayong production facility is located at 9/9, Moo 4, Nikom Pattana Sub-district, Nikom Pattana District, Rayong 21180 and is approximately 33 acres. At this production facility, we manufacture low to medium voltage wires.

Samut Sakhon production facility is located at 227 Moo 4 Soi 97 Petchkasem Road, Omnoi, Krathumban, Samut Sakhon, and is approximately 8 acres. At this production facility, we have a scrap furnace and we manufacture low voltage wires.

Vietnam production facility is located at QC5P+6G Luong Binh Street, Ben Luc district, Long An, Vietnam, and is approximately 49 acres. Currently, it is equipped to manufacture extra-high and high voltage wires.

The table below shows the maximum name plate capacity, actual production capacity and utilization rate of our production facilities as at the dates indicated therein:

	As at December 31, 2018			As at December 31, 2019			As at December 31, 2020		
	Name	Actual	Utilization	Name	Actual	Utilization	Name	Actual	Utilization
	plate	production	rate	plate	production	rate	plate	production	rate
	capacity ⁽¹⁾	volume	(%)	capacity ⁽¹⁾	volume	(%)	capacity ⁽¹⁾	volume	(%)
	(tons)	(tons)		(tons)	(tons)		(tons)	(tons)	
Total									
copper									
production									
capacity ⁽²⁾	110,400	66,380	60.1	110,400	69,300	62.8	131,400	68,825	52.4
Total									
aluminium									
production									
capacity ⁽²⁾	91,200	38,040	41.7	91,200	29,710	32.6	91,200	45,150	49.5
Total									
production									
capacity ⁽²⁾	201,600	104,420	51.8	201,600	99,010	49.1	222,600	113,975	51.2

Notes:

- (1) The name plate capacity is the maximum amount that a machine and/or equipment can produce under specific conditions, as rated by the manufacturer, in a calendar year.
- (2) The total name plate capacity, total production volume and utilization rate are calculated as if each of Thipha Cables, Dovina and TCI were subsidiaries of PDITL as at the respective dates stated above.

Procurement and Production Process

Our procurement and production process comprises 6 key steps:



1. **Production Planning** Upon receipt of a purchase order from a customer, we assess if we have sufficient stockpile within our warehouses. If we are required to commence production, we initiate the planning process. Our cable design and development department starts by designing and developing electric wires, and preparing the manufacturing guide required for our products to comply with the relevant industrial standards. Our planning department then draws up a production plan based on the manufacturing guide. In doing so, it takes into account various factors such as the estimated amount of raw materials required, cost of raw materials, and number of operational machines required. Our planning department uses such estimates to coordinate and optimize the production process by allocating tasks and orders to our various production facilities to maximize production efficiency.
2. **Procurement of raw materials** Upon receipt of the planning department's estimates as to the required raw materials, our procurement department assesses the costs of raw materials required and appoints suppliers from our vendor list.
3. **Production** The production of electric wires takes approximately 30 to 90 days depending on the type and complexity of the electric wires. The 4 main production stages are set out below:



- Smelting The smelting (or casting) process encompasses the melting of the solid raw materials, for instance copper cathodes, into liquid through a furnace and forming the raw materials into straight line copper bars which initially have a square cross-section.
- Rolling The formed copper and aluminum conductive wires (i.e., wires without insulation) are rolled into the required diameter.
- Twisting The conductive wires are then processed in a twisting machine. Each type of product may use various conductive wires to receive different currents. After the twisting process is complete, the conductive wires are more flexible. We perform a quality test.
- Insulating We use plastic pellets such as PVC or XLPE for wrapping conductive wires. The wrapping process begins with melting the plastic pellets in the electric wire wrapping machine.

Once the plastic is in liquid form, the conductive wires are brought to the wrapping head where the melted plastic is wrapped around the conductive wires and the conductive wires and the plastic insulator are welded. Once wrapped in the plastic insulator, the wires are cooled down so that the plastic solidifies.

We use a special technology called VCV technology in the plastic insulator wrapping process for high voltage electric wires. As insulators for high voltage electric wires tend to be large and heavy, wrapping the insulator around the conductive wires is difficult. The VCV technology resolves these issues as it enables the electric wire insulator to stay in the center. At the end of the wrapping process, a third quality test is performed.

4. **Quality Control Test** Our quality control department conducts tests on raw materials and our products at the various production stages mentioned above and we also conduct a final quality test on the finished products.
5. **Storage Process** Once the production process and the relevant control tests have been completed, our warehouse and transportation department packs our products in preparation of delivery.
6. **Delivery Process** Our customers may collect their orders directly from our production facilities or we may arrange for delivery through third-party or related-party logistics providers. To ensure that our products are delivered on time, we are able to track the delivery status and the location of our logistics providers' delivery trucks through a GPS system so as to provide our customers with updates on the status of their delivery.

Raw Materials

The main raw materials required for our wires and cables business consist of and aluminum. The prices of such raw materials are quoted from prices traded on the London Metal Exchange. We typically make price comparisons between several suppliers to obtain the best price and terms for our customers. We are also required to procure other materials in order to insulate the electric wires such as PVC, PE and XLPE.

Following our acquisition of Thipha Cables and Dovina, we are also able to procure raw materials from Vietnam, where such raw material are generally cheaper than in Thailand.

The key source of energy for our production facilities is electricity sourced from the grid. Since 2018, PDITL has installed solar panels on rooftops in and within the area of certain of its production facilities to use more renewable energy to sustainably support our business development and decrease our overhead costs.

Manpower Services

STARK provides the following logistics services through its subsidiary, ADS:

- **Manpower Services** STARK focuses on providing manpower services to our customers in the oil and gas industry. Our employees are trained and experienced in a variety of fields such as engineering, construction and architecture. At present, ADS has approximately 1,000 employees. Our employees are seconded to our customers for a period of approximately three to 5 years by way of a service contract. In addition, we provide human resources services such as visa and work permit applications and payroll services.
- **Engineering Services** STARK provides ancillary services such as vessel cleaning, off-shore construction services, fabrication and maintenance services.
- **Rental Services** STARK provides warehouse, equipment and machinery rental services. Our logistics warehouse which has a total area of approximately 82,000 sqm is located at Kanjanavanich, in proximity to the harbor in the Songkla province, Thailand. This facilitates conveyance of goods (such as general and industrial commodities) to our customers' premises. For equipment and machinery rental, we provide electric generators, welding machinery, containers, wire rope slings, air compressors and other related heavy machinery.

In 2020, we entered a service agreement with a multinational energy corporation based in Thailand, in respect of the provision of manpower services for a period of up to 5 years. We also entered into a contract with a Thai national petroleum exploration and production company in respect of the provision of manpower services for a term of approximately 3 years subject to an extension for an additional year. These two customers (with whom we have had a relationship for over 30 years).

Backlog

As at December 31, 2020, STARK has orders that has not yet delivered in the amount of approximately 8,000 – 10,000 million baht.

Marketing and Competition

Stark Corporation Public Company Limited (“STARK”) is a holding company which subsidiary companies are wire and cable and manpower services business.

Marketing and Competition of Wire and Cable Business

Electric Wire Industrial Market in Thailand and Vietnam can be divided by 4 levels of electric wire voltage as follows: Extra High Voltage, High Voltage, Medium Voltage, and Low Voltage.

The nature of electric wire production and distribution industry is an oligopoly market, for which the growth direction tends to be mainly in conformity with investment of the government sector. The first 5 major entrepreneurs hold a total market share of up to 50 – 60 percent, whereas the remaining are medium and small electric wire production plants, totaling around 20 entrepreneurs that still currently perform production. Furthermore, this kind of business encounters an obstacle regarding the high barrier of entry, since such electric wire manufacturer needs to acquire knowledge, competence and experience in production with an acceptable performance in the past (supply record), and requires high investment. If the manufacturer has no competence in relation to the control of cost and expense, it will be difficult to bring its product for competition because the production operation includes high transportation expense.

STARK’s subsidiary companies conduct wire and cable business in Thailand and Vietnam as follow:

1. In Thailand, Phelps Dodge International (Thailand) Co., Ltd. (“PDITL”) and Thai Cable International Co., Ltd. (“TCI”)
2. In Vietnam, Thinh Phat Cable Joint Stock Company (“Thipha Cables”) and Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company (“Dovina”)

Marketing and Competitive Strategy

STARK carries out the wire and cable business both Thailand and Vietnam under a competitive strategy in terms of product and compliance with international standards and standards determined by STARK for building trust and satisfaction of the customer and also adheres to punctuality, honesty and fairness for continuous use of service from the existing customer group and word-of-mouth to new customer groups. In this regard, the details regarding the marketing strategy according to 4P Principle are as follows:

1.1 Product and Service Strategy

The production and distribution of electric wire which covers all types of usage and supports application for all industries by professional engineers who control the operation of production throughout the process, as well as the development of new technology and products to respond to the demand of customer at all times. STARK has policy to decrease to sell the low margin product such as raw material and change to focus on wire and

cable that high margin instead especially Medium – Extra High Voltage to support the public and private sectors and wire and cable for Photovoltaic cable, Submarine cable, Offshore wind turbine and Floating solar

With regard to high voltage electric wire, PDITL, STARK's subsidiary has applied Vertical Continuous Vulcanization or VCV Technology in the process. The vertical wrapping will help an electric conductor to be located in the center of the insulator or electric wire, leading to the capability of supporting the highest voltage and reduction of the risk of current leakage. Moreover, PDITL also provides a service to help build the customer's trust in the electric wire prior to actual usage, which is the High Voltage Mobile Testing Truck pursuant to IEC Standard that is able to inspect the quality of the electric wire, conduction of the conductor, or fracture spots inside the electric wire after the wiring of electric wire in construction or installation that may cause damage by pulling, breaking and bending to the corner.

PDITL's electric wires are certified with the management standard, and its product is certified with the concerning standard from reliable institutions inside and outside Thailand. In this regard, it will help build the consumer's confidence for consideration of purchasing PDITL's product. The standards which have been granted are as follows:

Certification of International Management Standard

- BS OHSAS 18001:2007, Occupational Health and Safety Management System Standard from DQS UL
- ISO 9001:2015, Quality Management System Standard from MASC and DQS UL
- ISO 14001:2015, Environmental Management System Standard from DQS UL
- Certificate of Testing Laboratory Accreditation pursuant to the Standard No. TIS 17025 - 2548 (ISO/IEC 17025:2005) regarding general Requirements for the Competence of Testing and Calibration from Thai Industrial Standards Institute (TISI), the Ministry of Industry



Certification of Product Standard

- Medium and low voltage electric wire product which is certified by the product standard from TIS as follows:
(1) TIS 11, Vol. 3 – 2010; (2) TIS 11, Vol. 4 – 2010; (3) TIS 11, Vol. 5 – 2010; (4) TIS 11, Vol. 101 – 2010; (5) TIS 293 – 2008; (6) TIS 2143 – 2003
- High voltage electric wire product which is certified by the product standard from TIS as follows: TIS 2202 – 2004
- Telephone line and cable product which is certified by the product standard from TIS as follows: TIS 2434 – 2009
- Fire resistant cable product (FRC) which is certified by the standard from TUV SUD, Germany, by passing the standard inspection, such as (1) BS 6387:2013; (2) BS EN 60332-1-2:2004; (3) BS EN 60332-3-22:2009; (4) BS EN 61034-2:2013; (5) IEC 60502-1 (Ed.2); (6) IEC 60332-3-22 (Ed.1.1).
- Product standard certification by KEMA Laboratories (KEMA), which is an institute that has the world's most modern and standard laboratory for electric wire testing, and located in the Netherlands, as follows: (1) high voltage electric wire product which passed the testing at 230 kV according to IEC 62067 Standard; (2) medium voltage electric wire product which passed the standard testing of IEC 60502-2, IEC 60754-1, IEC 60754-2, IEC 61034-2, and IEC 60332-3-24; (3) low voltage electric wire product which passed the standard testing of IEC 60502-1; (4) fire resistant and fire retardant cable product which passed the standard testing, such as IEC 61034-1/2, IEC 60754-1, IEC 60754-2, BS 6387 Cat CWZ, IEC 60332-2-22 Cat A, and etc.
- Standard certification from SGS for medium and low voltage electric wire according to IEC 60502-1 Standard
- Standard certification from TUV Rheinland for PV Cable H1Z2Z2-K according to EN 50618:2014 Standard
- Standard certification for high voltage electric wire from the Central Power Research Institute Bangalore according to IEC 60840-2011 and IEC 60840-2004 Standards
- Standard certification from BASEC for Armoured power cables with PVC sheathing according to BS 5467:2016



1.2 Price Strategy

In terms of determining the price of STARK group electric wire for projects of the public sector, private sector and contractor of such electricity system, the order quantity of the project will be considered to calculate the raw material cost and other expenses that are required to be used in the process, as well as the related environmental factors, such as the number of personnel, operational period, transportation, after-sales service, and etc. In addition, the Gross Profit Margin is considered simultaneously based on the Company's policy and then the price will be offered to the employer.

Regarding the determination of the price of electric wire for dealers, the raw material cost of the electric wire in each type are considered and the Gross Profit Margin as required, and compare the demand and supply of the electric wire industry as well as the competitiveness with other entrepreneurs in the market in order to determine the offering price to be appropriate with the market mechanism and conditions.

1.3 Channel of Distribution Strategy

The distribution and channel of distribution will aim at distributing to the government sector (B2G), private sector (B2B), contractor, dealer (B2C) and export, where the channel of distribution may be the bidding of government sector projects, direct distribution to the owner of government sector projects, distribution through the contractor of electricity system of such project, and distribution through STARK's subsidiary as PDITL's dealers. According to PDITL's performance and experience for more than 50 years, the customer, including government and private sectors inside and outside the country, has accepted and chosen PDITL to be in the Approved Vendor List for bidding in several important projects. As PDITL is in the Approved Vendor List, it is deemed an important part in building a competitive advantage and barrier to entry for other entrepreneurs.

Also distributed to project customers such as the Electricity Generating Authority of Thailand (EGAT), Provincial Electricity Authority (PEA), Mass Rapid Transit Authority of Thailand (MRTA), SCG Group (SCG).) PTT Group (PTT), Airports of Thailand (AOT) and Central Group (CENTRAL), etc. PDITL has been involved in important projects such as (1) Mae Moh Power Plant (2) Bang Pakong Power Plant (3) Mahanakorn Building (4) Terminal 21 Korat Shopping Center (5) Ideo Q Samyan Building (6) SCG Compounding Research Center Rayong and (7) PTT gas station from the sea Phase 2, etc.

However, STARK has planned the expansion of the subsidiary brand's dealer base in Thailand to be over 1,000 dealers within 2023.

In addition, for oversea distribution, STARK has received trust as a business partner with leading companies around the world, such as (1) Siemens (German Company) (2) Alstom (France Company) and (3) ABB when the aforementioned companies are desirous to use electric wires for business operation, the list of electric wire distributors will be considered where STARK is regarded as the top electric wire distributor of such company.

STARK considers maintaining the long-term relationship with the existing customer group and building a good relationship with new customer groups, which is deemed to help the broader expansion of the customer base and focuses on service that responds to the customer's demand through the experienced sales team that accurately presents product data, contacts for coordination, effectively distributes product on time, and provides after-sales service for quality inspection of electric wire after construction or installation. Such service is the High Voltage Mobile Testing Truck, a technology from Germany pursuant to IEC Standard that can travel to perform an inspection at the customer's building or electricity sub-station and identify any fault and abnormal range. Therefore, it can be considered that is an advantage in operating the business of electric wire production and distribution and helping the customer make a decision when choosing STARK's group products.

1.4 Sales Promotion Strategy

STARK group sales promotion is conducted in various forms as follows:

- Creation of website to provide data relating to product, detail of the stores distributing, catalog and details of product price, and inform news and movement
- Creation of social media, such as Facebook, to be the channel for advertising, providing knowledge and arranging sales promotion activities for the consumer
- Creation of video media to provide data relating to product, service and news via online channel, such as YouTube www.youtube.com/channel/UCixzW1yLI2nzC8MMkhswkEA
- Creation of channel for communicating with consumer via LINE Application as the media to forward data and essential information relating to electric wire, and arranging sales promotion activities
- Creation of advertisement on the magazine in electric wire industry, such as Thai Electrical & Mechanical Contractors Association – TEMCA Magazine and Poll News for Business – Marketing Analysis

- Arrangement of knowledge enhancement seminars for electric wire users and students in related fields, include
 - (1) On January 28, 2020 Workshop Seminar "Phelps Dodge The New Era of Design Manual" at Renaissance Bangkok Ratchaprasong Hotel, Bangkok
 - (2) On September 16, 2020 Workshop Seminar Design Forum at Khon Kaen International Convention and Exhibition Center (KIEC), Khon Kaen Province
 - (3) On September 23, 2020 Workshop Seminar Design Forum at Nimman Convention Centre, Chiang Mai Province
 - (4) On October 7, 2020 Workshop Seminar Design Forum at Royal Phuket City Hotel, Phuket Province
 - (5) On October 21, 2020 Workshop Seminar Design Forum at Centara Hotel Hat Yai, Hat Yai Province
 - (6) PDITL delivered the Electrical System Design Handbook and panel board for communicative teaching to 62 college and university in the Faculty of Engineering total 3,400 books.
 - (7) Workshop Seminar "Load Calculation" for the student in the Faculty of Engineering Thammasat University (Rangsit) and the panel board to the lecturer for use to be the communicative teaching.

1.5 Group of Target Customers

The production and distribution several types of electric wire to the customer. In this regard, most of the products are distributed to domestic customers with an approximate proportion of 90 percent, and exports to overseas customers at around 10 percent. The groups of target customers can be categorized as follows:

A. Group of Customers from Government or State Enterprise Sectors

The group of customers from the government or private sectors, who are desirous to use the electric wire for national infrastructure development or general works, includes Electricity Generating Authority of Thailand, Provincial Electricity Authority, Metropolitan Electricity Authority, Airports of Thailand, TOT, and etc. Moreover, the distribution of electric wire to this group of customers is usually carried out directly through bidding, and the bidder must be in the Approved Vendor List.

B. Group of Customers from Private Sector

The group of customers from private sector can be divided into 2 types, including the group of the project's direct owners or electricity system contractors, the group of dealers and the contractor group for production under brands

- Group of Project's Direct Owners or Electricity System Contractors

Owners of real estate development project in private sector are desirous to use the electric wire for real estate development of their several projects, including industrial plant, condominium, office building, and

etc. On the other hand, PDITL may conduct coordination through the electricity system contractors of such project, including Mahanakhon Building, Ideo Q Sam Yan and BITEC 2.

- Group of Dealers

Dealers of PDITL's electric wire will purchase the product for distribution to their customer, such as electric wire store, general construction material store, retail store, wholesale store, and etc., where these distribution channels cover the main area nationwide. In 2018, PDITL has 467 dealers distributing its product.

C. Group of Oversea Customers

In terms of group of overseas customers, it will be a direct order from the end user mainly, including government and private sectors. In terms of overseas government sector, it includes Dubai Electricity & Water Authority (the United Arab Emirates), Singapore Power (Singapore), and Jordanian Electric Power Company (Jordan). In terms of overseas private sector, it includes Siemens (distributing to the Southern Asia), TATA (India), Amec (Brunei), Energex (Australia), and MeralCo (the Philippines).



1.6 Distribution Channel

The distribution channel can be categorized in the same direction as the operational form of each type of customer as detailed above. The distribution channels can be categorized into 3 groups as follows:

A. Direct Bidding or Direct Sales to the End User

The participation in the bidding opened by the government or private sectors, which may be general work requiring the use of electric wire. In addition, directly distributed the product to the project owner in the private sector which may be in real estate sector, industrial sector, petrochemical sector or alternative energy sector.

B. Distribution through the Contractor

Distribution through the contractor is similar to sub distribution to the contractor who accepts to conduct an operation relating to the wiring of electricity system for project, building or place determined by the end

user. In this regard, the product are distributed to such contractor in order to use the electric wire for installation in such place, as well as the government sector's project, such as the establishment of electricity sub-station, the establishment of basic public utility system, power plant, and etc.

C. Distribution through the Dealer

Distribution is carried out through the dealer, including electric wire store, general construction material store, retail store and wholesale store, which is regarded as a partner who helps distribute the product to minor customers, such as small contractor, engineer for general electric wire, indoor repair, and etc.

1.7 Business plan and growth strategy

STARK has the business strategy to develop the growth of company as follow:

1. Increase of a revenue in the main market in Thailand and Vietnam.
 - 1.1 Support
 - The advantage of the capacity in Vietnam was highly 85%
 - The advantage of the High Voltage in Vietnam
 - The advantage of the new capacity in Thailand
 - Focus on the high margin product
 - 1.2 Focus on earning opportunities in the short run term in the main markets of the country in which the company operation. The increased of demand from various projects will drive more revenue.
2. Change to a high-margin product is a Medium Voltage - Ultra-High Voltage, Submarine and Military cables.
3. Road map for enhancing efficiency and merging with businesses in Vietnam for example combining metal orders with PDITL in Thailand to increase bargaining and reduce the costs of metals and mixtures, extend trade settlements. Focus on high-margin products and increase brand diversity for various market segments.
4. The increasing of Capex was low due to the increased utilization of production, with existing capacity able to support an increase in production double in size.
5. Increasing the strength of the balance sheet's financial status, such as reducing debt by creating stronger cash flows. More efficient use of working capital and ADS capital improvements due to the availability of warehouses and space for leasing to companies operating oil and gas businesses that can be converted to securities

The growth strategy by increasing the production's value

1. High margin product
2. Market expansion

3. Increasing cost competition
4. Cash conversion Cycle



Thailand's wire and cable market in the next 5 years

Public sectors

- Under-ground cable in city of MEA (~43,000 million baht in 5 years)
- PEA's funding plan in 5 years around 200,000 million baht (~ 72,000 million baht in 5 years).
- Transmission Line for the big project and domestic
- A unique product initiative (robot/aircraft/underwater)
- Accessories Products
- High margin product
- Investment in production
- Synergies with the company in Vietnam
- FTA

Private sectors

- High-speed Rail, Motorway and EEC
- EV car and EV Charger
- Alternative Energy

1.8 Environmental Impact

STARK has a policy to control the environmental quality inside and surrounding area of the plant to be in compliance with the standard as determined by the laws, with the environmental management system under international standard, such as ISO 14001 Environmental Management System. Therefore, complaint or dispute in relation to environmental impact has never occurred.

Marketing and Competition of Manpower Services Business

STARK's subsidiary company Adisorn Songkhla Co., Ltd. ("ADS") provides the manpower service business.

Strategy and Competition of Manpower Services Business

Besides, ADS has foreseen manpower services as a crucial factor for its competitive advantage. Consequentially, ADS has built great alliance and rapport with educational institution in Songkla province and nearby areas in order to minimize the risk in recruiting service and to create job opportunities in the community. Those who are interested will be instructed and trained by ADS in order to become a skillful labor as required by the clients. Moreover, ADS has additional recruitment channels; for instance, the PR of job opportunity during its Roadshows. The online platform and media, like recruitment website and social media, are also used to attract new generation potential workers.

ADS offered other services related to Petroleum business, such as, vessel cleaning, off shore construction services, fabrication and maintenance services, and etc. Our clients were a Petroleum related company. Mostly, they were the same client we served with our manpower services since they were confident with ADS quality of services and performance.

In addition, off shore services, ADS offers property rental services; such as, warehouse, equipment, and machinery. Our warehouse is located near the harbor of Songkla province to facilitate the conveyance. ADS warehouse is ready to serve with the total area of 82,000 sqm. To increase the confidence of our clients, we offer 24/7 security standard for the cargo. The goods are diverse, ranging from general to industrial commodities. Mostly, the stored goods are industrial machinery. Besides, ADS provides equipment and machinery rental services; such as, electric generator, welding machine, basket, containers, wire rope sling, air compressor, and heavy machinery, etc.

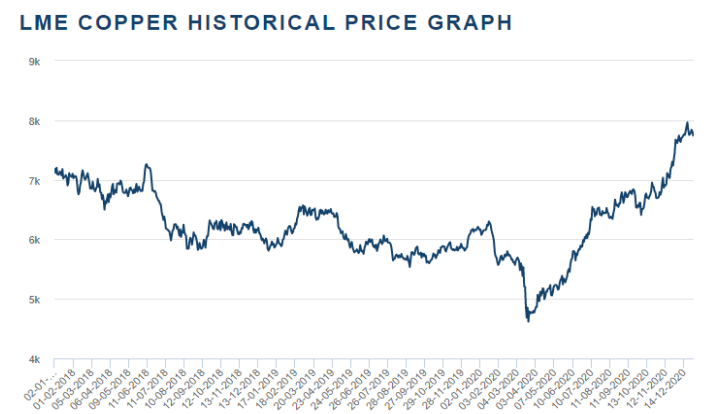
3. Risk Factor

3.1 Risk from Business Operation

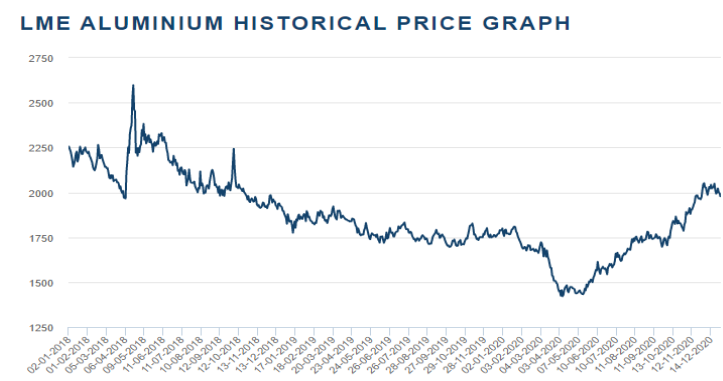
3.1.1 Risk from Fluctuation of Raw Material Cost in Production

The significant raw materials in production and distribution of electric wire and cable are copper, aluminum and polymer, which are categorized as a commodity with market price based on the London Metal Exchange (LME). In this regard, such market price will according to the principle of demand and supply. As a result, there will potentially be fluctuation of raw material cost in each period of time, in case that the raw material cost was higher than expected, which may cause a significant increase of the production cost and affect the turnover.

LME Copper Historical Price Graph during January 2018 – December 2020



LME Aluminum Historical Price Graph during January 2018 – December 2020



However, STARK has considered such risk and regularly monitors the trend of the main raw materials used in production. The raw material procurement is also planned according to the advanced production plan to enhance the capability in negotiations with the seller. Additionally, the financial instruments are considered, such as sale and purchase agreement for forward exchange rate, to help reduce the cost risk caused by the sale and purchase in USD currency as appropriate with each period of time and at the rate from 80 to 100 of the foreign currency to be actually paid.

STARK has a policy to continuously maintain a good relationship with its partners and alliances, and mutually execute the plan with partner who produces copper and aluminum to ensure that PDITL will have sufficient raw material for production to be in line with the production plan as established, and can deliver it to the customer according to the specified time.

Furthermore, the regular develops the supply chain system, such as price comparison from several suppliers prior to making an order to obtain the best price and conditions, and the planning for raw material procurement according to an appropriate amount for the production in each project and the production for reserves in the warehouse. In addition, also plans to procure the raw materials and considers the raw material cost upon

receiving the customer's purchase order, which will be used in the sale pricing of the finished product. Accordingly, this process can help reduce the risk from fluctuations.

3.1.2 Risk from Dependency on Raw Material Supplier

As carries out the business of electric wire production, the main raw materials used in production are copper and aluminum, which are considered as a commodity with market price based on the London Metal Exchange (LME). This group of raw materials are the main raw materials of which the characteristics and chemical properties are specified to be used in the production. If the aforementioned manufacturers are unable to deliver the product, it may have significant impact on performance.

However, after STARK, and subsidiaries as PDITL and PD Cable (SG) PTE.LTD were acquired Thipha Cables and Dovina, then Dovina stopped to sell the copper and Intermediate products to India because the product was low margin and sell the copper to PDITL instead, this can be risk elimination to shortage on raw material for PDITL.

With regard to procurement of raw material, the vendor list will be determined, where the seller, for whom the Procurement Department can make a purchase order, is evaluated in terms of quality of raw material, quantity of raw material allowed for delivery, offering price, reliability of the seller, and punctuality of the delivery. Most of them are major manufacturers and distributors of the world and Thailand whom has been an alliance with for a long time. Thus, it can be ensured that such raw material supplier can duly conduct the distribution and delivery according to the standard and specified time. In terms of the determination of such vendor list, the existing sellers will be evaluated on a regular basis to ensure that the raw material is of stable quality. Additionally, STARK focuses on the potential risk caused by over depending on any of the sellers. Hence, the plan therefore considers new sellers according to the procedure as specified, and the policy is established to build and maintain a good relationship with all of the suppliers in order to reduce such risk.

3.1.3 Risk from Dependency on Major Customer

The aforementioned major customers are customers of the government and private sectors and has a good relationship and gained confidence from the government and private sectors at all times from the production and distribution of electric wire with quality according to international standard, as well as the related services and assured that it will continuously receive purchase orders. In this regard, STARK understands such risk issues, so it emphasizes maintaining a good relationship with its customer, dealer, contractor and other partners in order to be able to deliver the product and service which are of quality, completeness and respond to the customer's demand. For this reason, it will enhance the reliability in potential in orders to be able to offer other services in the future and expand the customer base by focusing on the group of new customers and oversea market, which will help reduce the risk for a certain level.

3.1.4 Risk from Production Technological Change

As the production technology in the industrial sector has been continuously developing, such technological development will help reduce the production cost. Nevertheless, if STARK is unable to adapt to these changes, it may lead to a higher production cost than the competitors in the same industry. As a result, subsidiaries' product will possibly be unable to compete in the domestic and oversea market.

PDITL, STARK's subsidiary, has experience in the business of electric wire production for more than 50 years with executives and engineers who have knowledge and expertise. Moreover, modern production technology has been continuously developed and adapted. For example, the production line for the Vertical Continuous Vulcanization (VCV) or vertical insulation commenced at Bang Phli Plant in 1993 which was the first and only manufacturer in Thailand to support the production of high voltage electric wire. This was to respond to the customer's increasing demand from domestic and international entrepreneurs according to the increasing consumption of electricity, enhance the safety in using the high voltage electric wire, and reduce the amount of high voltage electric wire which failed to pass the standard or is unusable after the production is completed. In this regard, the Cable Design and Development Department and Process Engineering Department to perform development and improve the production process and technology applied in the current production for more effectiveness. However, STARK is assured that it can keep up with electric wire production technology. It can also be seen that PDITL, STARK's subsidiary has invested in providing the service of High Voltage Mobile Testing Unit pursuant to International Electrotechnical Commission ("IEC") Standard which is a technology from Germany. It is the first and only service provider in the country for quality examination service of high voltage electric wire after the completion of installation or construction on whether there is a current leakage or fault in the electric wire structure that may have occurred during the installation. As a result, the project's customer can be assured that the installation of the electric wire will be of highest efficiency and safety for the user which is deemed to build competitive advantages when comparing with the competitors. In addition, the subsidiaries were taught knowhow to each other as PDITL taught knowhow to Thipha Cables and Dovina, STARK's subsidiary at Vietnam about the production of High Voltage for the business operation.

3.1.5 Risk from Exchange Rate

The risk from exchange rate both appreciate and depreciate of Thai currency, also Dong currency that use in operation by Thipha Cables and Dovina in the operation. A significant proportion of our products is sold on a made-to-order basis for which we are generally able to pass variations in raw material prices on to customers since these costs are fixed on the date of purchase of the raw materials. However, to the extent that there is a significant increase in the prices of these raw materials and we are not able to pass on such increase to our customers on a timely basis, due to, among others, market competition or the timing of the purchase of the raw materials, or find alternative sources of supply on commercially acceptable terms, our financial performance will be adversely affected. According to the cause, PDITL, STARK's subsidiary set up International Business Center

–IBC, business about technical management service, support and financial management follow by the Exchange Control Regulations for tax benefit and set up Treasury Center – TC for management foreign currency, buy or exchange foreign currency, risk management from exchange rate, liquidity management and financial service.

STARK looks to financial instruments to help reduce the risk from the exchange rate caused by the purchase of raw material in foreign currency, such as advance sale and purchase agreement, option agreement, and etc. In this regard, STARK will consider based on the appropriateness in each period of time and at the rate of 80 to 100 percent of the foreign currency to be actually paid, and have a team monitor the trend of the exchange rate at all times and has a policy to support the export expansion for oversea sale in order to obtain revenue in USD currency which can reduce the risk from exchange rate)Natural Hedge(in a certain way.

For the production and distribution of electric wire and cable to the customer, the company is regarded as a major manufacturer and distributor of Thailand with high bargaining power. Upon consideration of the sale price of product and reflect the raw material cost and fluctuation of exchange rate. In this regard, the ability in adjusting the sale price of product will help reduce the risk from exchange rate.

3.1.6 Risk from Increasing Competition Situation

The business operation in present, STARK have to compete with existing competitors and new market entrants, the government, state enterprise and private sectors have placed importance on public utilities in terms of electricity and developed more large projects, such as several lines of electric railway projects, large estate project, mixed-use real estate project, electricity transmission and distribution project, and etc., according to the anticipation of economic growth and trend of increasing energy consumption. As a result, other entrepreneurs, especially the medium electric wire manufacturer, will increasingly take an interest and participate in the competition in this industry.

STARK differentiate ourselves through, among others, our track record and our focus on higher margin products, also the subsidiary is currently on certain approved vendor list where such register helps select the quality and potential entrepreneur to participate in the support of project development, it therefore has an opportunity to participate in the bidding of projects of the government and state enterprise sectors, including the government sector's infrastructure projects or general construction projects and the private sector's large projects.

In addition, the subsidiary is also in the Approved Vendor List of contractors of leading projects in foreign countries which spreads the risk from dependency on domestic revenue only, by having a group of oversea customers from several regions, such as America, Asia, Africa, and etc. Nevertheless, continuously improves and develops its quality to build competitiveness and stable growth. Moreover, the competition in the electric wire market in Thailand requires standard certification from Thai Industrial Standard (TIS) to be able to conduct production and distribution in Thailand. Thus, it shows that the oversea competitors have an obstacle to join the

competition in Thailand, and this helps reduce the risk from the competition situation in the electric wire production and distribution market of Thailand.

Moreover, STARK is prepared for the risk from competition in the industry at all times to stably maintain business competitiveness by focusing on the quality and timely handover and service, building a good relationship with the customer and partner, and developing the personnel to know the product and keep up with technology. Additionally, STARK also develops the organization in many forms, such as investment in technology and information system for effective project management according to the handover period as specified, and the application of internal control system to examine and monitor the entire work process for more transparency and clarity. Therefore, the work and service will be of quality as planned with good performance that the customer and partner can rely on. As a result, the group of company have a turnover which has been continuously growing for 2021 – 2023.

3.1.7 Risk from Competitive Business in Thailand Regarding General Cable Corporation and Trademark

PDITL, STARK's subsidiary, was previously owned by General Cable Corporation. Notwithstanding that General Cable Corporation has divested its business operations in South East Asia, and has been acquired by Prysmian Group, as the non-compete provided by General Cable Corporation ended on August 31, 2020, it is possible that General Cable Corporation, or its affiliates, may return to produce and/or distribute electric wires in Thailand. In such an event, General Cable Corporation may become a potential competitor with PDITL (subject to obtaining the requisite certifications and licenses to operate in Thailand and/or receiving the relevant approbations such as being registered on the requisite approved vendor lists) thereby affecting our business, financial condition, results of operations and prospects.

However, STARK is aware of those issues and has assessed the risk and possibility if General Cable returns to production and/or distribution of electric wire in Thailand, of which the details are as follows:

Production/Import

- The commencement of electric wire production line may take at least 4 – 5 years, and depends on the experienced professionals in Thailand to control the production standard.
- The production shall be carried out to be in conformity with the standard and certified by Thai Industrial Standards Institute (TISI). If the overseas companies wish to produce the electric wire in Thailand, it may cause difficulty and waste of time, because such overseas companies have formerly obtained standard certification from other countries only.
- If the electric wire produced abroad is imported for distribution in Thailand, there may be no competition in terms of price, because the import of electric wire will be charged with (1) import duty (based on the total of product value, transportation cost and insurance cost); and (2) value-added tax (based on the total of product value, transportation cost, insurance cost and import duty).

Distribution

- For the distribution of electric wire to the government sector of Thailand, the seller who is entitled to participate in the bidding is required to be listed in the Approved Vendor List of the government sector prior to any proceedings. Therefore, it is unlikely that the new sellers in the market can compete with the group of manufacturers and existing sellers, since the government sector's project depends on high experience, expertise and reliability.
- In addition, in case of distribution to the dealer, it still depends on persons who have skill and experience in the Thai industry for marketing and promoting, and the oversea competitors may not have sufficient understanding.
- Upon consideration of the possibility that General Cable Corporation will deliver product for distribution in Thailand, there is also a low possibility since it is affected by import duty and value-added tax as mentioned above. Currently, General Cable Corporation does not carry out a business strategy in Southeast Asia, because it has sold a partial investment in foreign countries. The countries where General Cable Corporation withdrew investment are Asia-Pacific are People's Republic of China, Republic of the Philippines and Republic of Fiji. Moreover, it also ceased operation in Australia and New Zealand earlier.
- In terms of the risk of existing companies in the People's Republic of China, Republic of the Philippines and Republic of Fiji where General Cable Corporation withdrew investment, STARK considers that there is a low risk that such companies will conduct distribution to Thailand for the reasons that:
 - (1) The production line of the plant in the People's Republic of China mainly produces aluminum conductive electric wire, no longer uses the original brand, and carries out production to principally respond to the domestic demand.
 - (2) The production line of the plant in the Republic of the Philippines and Republic of Fiji is the production of medium and small electric wire, and the production capacity is not large enough for oversea export.

Trademark

- According to the mutual agreement, PDITL, STARK's subsidiary is entitled to solely use the trademark in Thailand and can export the electric wire under this trademark to foreign countries as indicated therein. In this regard, the term of the agreement shall be effective until the parties agree otherwise. (Please consider additional details according to the opinion report of the legal consultant regarding the legal risks in terms of trademark and competitive business operation.)
- If General Cable Corporation violates such provision by using the trademark in Thailand, PDITL is entitled to make a legal claim which will affect the image, reputation and financial status of General Cable Corporation if the lawsuit is brought to claim for damages.

- Moreover, if General Cable Corporation operates the business in Thailand under the similar trademark, it will not have significant impact on STARK's operation, since the business of electric wire production and distribution of the new sellers depends on the quality and standard of the electric wire. It also includes the capability in electric wire distribution to the end user of which standard must be certified by TISI, and be in the Approved Vendor List as mentioned above.
- Furthermore, upon consideration of the risk that General Cable Corporation will produce and/or distribute the electric wire under the original trademark, there is a low risk since Prysmian Group, which is the world's No. 1 electric wire production and distribution company, has purchased General Cable Corporation in 2018. Accordingly, it is expected that if General Cable Corporation returns to produce and/or distribute the electric wire in Thailand, it may use the trademark of Prysmian Group as the new shareholders rather than using the original trademark currently used by PDITL.

According to the limitation and rules on production, import and distribution of the electric wire in the Thai market, it shows that it is difficult and depends on time for the new competitor who considers operating the same business as STARK's subsidiaries in Thailand. In addition, if the new competitor actually decides to carry out the business of electric wire production and distribution in Thailand, STARK has the marketing strategy to maintain the customer base and market share without significantly affecting the business operation and financial status.

3.1.8 Risk of PDITL from Maintaining the Financial Ratio According to the Loan Agreement with Financial Institutions

Our financial debt exposes us to fluctuations in interest rates. Unfavorable market movements in interest rates could have a negative effect on our results of operations and cash flows, as increasing interest rates would have a negative impact on the finance costs related to the portion of our indebtedness which is subject to floating rates. If such movements, or their impact on our cash flows and results of operations, were significant, our ability to invest in our businesses and execute our expansion strategy, in particular through mergers and acquisitions, could be impaired.

3.1.9 Risk from Control Power of Major Shareholder

STARK has appointed the Audit Committee who is the independent director to audit the operation of the management and provide an opinion for the preparation of report which may cause conflict of interest between the shareholders and STARK. The aforementioned major shareholder will be unable to vote in entering into connected transactions which they have interest.

Furthermore, STARK enhanced the free float according to the criteria of the Stock Exchange in 2020 amount 20.84 percent

3.1.10 Risk from Dependency on Personnel with Specific Expertise

The business of electric wire production relates to the national infrastructure which requires engineers who have the skill, experience and specific expertise, and can provide the services in terms of marketing and operation in order to respond to the customer's demand and objectives of the assignment. In this regard, such personnel shall be able to present the product that meets the customer's demand, including the determination of properties, product standard, design, work system control and quality test prior to delivering the product to the customer. At present, STARK's group has a certain number of engineers to provide the services and personnel of the Production Department. If is unable to recruit additional personnel according to the amount of work that may increase, or is unable to maintain the existing personnel in the future, STARK's group may have the risk that the personnel who have the electrical skill is insufficient for operation.

STARK has placed importance on maintaining the personnel who have the competence and experience, so welfare for the officers and their family is therefore provided with shuttle bus to the plant. In addition, the wage is adjusted on an annual basis based on the performance evaluation results with other wages in addition to the monthly wage. The work environment is also arranged to be appropriate and sanitary. Moreover, personnel development is performed in terms of knowledge to offer an opportunity in growth of their work field. In the event that the personnel of each work field changes, new officers can study all of the procedures in the work manual according to quality system certification of ISO 9001:2015.







For new personnel recruitment, STARK's group has provided training of specific knowledge and skill in the electric wire production for the new personnel of the Production Department to reinforce more expertise in operations. In addition, also arranges seminars to provide knowledge to outside parties in the electrical work field and executes agreements with several institutions, such as mutual agreement with Office of the Vocational Education Commission (OVEC) for academic encouragement, support and development to the personnel in the agency, students of nationwide institutions under the responsibility of OVEC, and general people from any region in the country. It also aims at providing the proper knowledge and expertise for profession and selection of electric wire product according to the standard by considering the safety of installer and user which is deemed the most important matter in the profession.

4. Intellectual Property

As at December 31, 2020, the following key registered trademarks which are material to our Group's business is set out below:

Mark Sample	Registration Number (Registration request number)	Registration Date (Request Date) / Expiry Date	Class of Goods/ Services ⁽²⁾	Countries of Registration
<u>PDITL</u>				
	Kor,165164 ^{11c}	01/08/2002 (20/12/2001)/ 19/12/2021	09	Thailand
Flexiloy	171120721	30/06/2017 (02/11/2015) / 01/11/2025	09	Thailand
	201113601 (190102732)	15/06/2020 (18/01/2019) 17/01/2029	09	Thailand
<u>DOVINA</u>				
<u>Registered in Vietnam</u>				
	156428	31/12/2010 / 20/08/2029	06, 09, 14, 17, 19. 35, 37, 40	Vietnam
<u>Registered in country-members of WIPO</u>				
	1330782	30/06/2016 / 29/08/2026	06	Australia, Bahrain, China, India, Japan, Cambodia, Republic of Korea, Laos PDR, New Zealand, Oman, Philippines
<u>Registered directly in jurisdictions outside of Vietnam</u>				

DOVINA COPPER - ALUMINIUM & PLASTIC	4/9997/2016	15/08/2016 / 03/05/2022	06	Myanmar
DOVINA	47926	05/07/2016 / 05/07/2022	06	Brunei Darussalam
DOVINA DOVINA	2016062402	05/07/2016 / 05/07/2026	06	Malaysia
DOVINA	2016062402	28/02/2017 / 05/07/2026	06	Malaysia
DOVINA	01840215	16/05/2017 / 15/05/2027	06	Taiwan
DOVINA	181104988	28/02/2018 (25/07/2016) 24/07/2026	06	Thailand
DOVINA COPPER - ALUMINIUM & PLASTIC	The Published Cautionary Notice in East Timor Suara Timor Lorosae on 27 July 2016	27/07/2016 / 01/05/2026	06	East Timor
DOVINA	IDM000671167	12/02/2020 13/07/2026	06	Indonesia
ThiPha Cables				
Registered in country-members of WIPO				
	1321320	28/07/2559 / 28/07/2569	09	Australia, Bahrain, China, India, Japan, Cambodia, Republic of Korea, Laos PDR, New Zealand, Oman, Philippines, USA
Registered directly in jurisdictions outside of Vietnam				
	47986	25/07/2016 / 25/07/2026	09	Brunei Darussalam
	The Published Cautionary Notice in East Timor No. Pub / / 556KP / A / 19/8	27/07/2016 / 27/07/2026	09	East Timor


	01840331	06/05/2017 / 15/05/2027	09	Taiwan
	181111039	12/07/2026	09	Thailand
	4/9995/2016	30/03/2020 / 30/03/2023	09	Myanmar
	753/18	01/08/2562	09	Fiji
	IDM000670627	11/02/2019 / 18/07/2032	09	Indonesia
	2016063161	08/08/2017 / 20/07/2026	09	Malaysia

Notes:

- (1) Pursuant to the trademark license agreement entered into between, among others, PDITL and an entity with the General Cable group (the "**General Cable License Agreement**"), dated 31st August 2015, PDITL is entitled to use certain trademarks licensed from General Cable including the trademarks known as PDIC Global Design and PDIC Globe Design in Thailand and certain territories outside of Thailand in connection with the export of wires and cables.
- (2) Class 06 refers to, among others, common metals and their alloys, ores; metal materials for building and construction; transportable buildings made of metal; non-electric cables and wires made of common metal; small items of metal hardware; metal containers for storage or transport; safes. Class 09 refers to, among others, scientific, navigation, surveying, photographic and cinematographic, audio-visual, optical, weighing, measuring, signaling, detecting, testing, inspecting, life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling the distribution or use of electricity; apparatus and instruments for recording, transmitting, reproducing sound or images; computers. Class 14 refers to, among others, precious metals and their alloys; jewelry, precious and semi-precious stones; horological and chronometric instruments. Class 17 refers to, among others, unprocessed and semi-processed rubber, gutta-percha, gum, asbestos, mica and substitutes for all these materials; plastics and resins in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, tubes and hoses (non-metal). Class 19 refers to, among others, materials (non-metal), for building and construction; rigid pipes (non-metal), for building; asphalt, pitch, tar and bitumen; transportable buildings (non-metal); monuments (non-metal). Class 35 refers to, among others, advertising; business management; business administration; office functions. Class 37 refers to, among others, construction services; installation and repair services. Class 40 refers to, among others, the processing of materials. Class 42 refers to, among others, scientific and technological services and research and design relating thereto; industrial analysis, industrial research and industrial design services; design and development of computer hardware and software.

As at December 31, 2020, we have the following key trademark applications which are pending for transfer:

Mark Sample	Registration Number	Expiry Date	Class of Goods/ Services ⁽¹⁾	Countries of Registration
	36860	26/11/2019)must be renewed and then transferred(	09, 19	Vietnam
THỊNH PHÁT	43229	19/07/2021	09, 19	Vietnam
THỊNH PHÁT	63229	26/12/2023	17, 25	Vietnam
ThiPha land	154263	20/08/2029	36, 27	Vietnam
	183395	26/04/2021	09	Vietnam
	316130	11/11/2026	09, 36, 37, 42	Vietnam
	319266	23/05/2026	09, 35, 36, 37	Vietnam
	235951	08/11/2028	09	Sri Lanka

	28298	31/11/2028	09	Suriname
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Note:

- (1) Class 09 refers to, among others, scientific, navigation, surveying, photographic and cinematographic, audio-visual, optical, weighing, measuring, signaling, detecting, testing, inspecting, life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling the distribution or use of electricity; apparatus and instruments for recording, transmitting, reproducing sound or images; computers. Class 17 refers to, among others, unprocessed and semi-processed rubber, gutta-percha, gum, asbestos, mica and substitutes for all these materials; plastics and resins in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, tubes and hoses (non-metal). Class 19 refers to, among others, materials (non-metal) for building and construction; rigid pipes (non-metal), for building; asphalt, pitch, tar and bitumen; transportable buildings (non-metal); monuments (non-metal). Class 25 refers to, among others, clothing; footwear; headwear. Class 35 refers to, among others, advertising; business management; business administration; office functions. Class 36 refers to, among others, insurance; financial affairs; monetary affairs; real estate affairs. Class 37 refers to, among others, construction services; installation and repair services. Class 42 refers to, among others, scientific and technological services and research and design relating thereto; industrial analysis, industrial research and industrial design services; design and development of computer hardware and software.

As at December 31, 2020, the abovementioned trademarks assigned by Thinh Phat Real Estate - Cables JSC to ThiPha Cables are pending registration with the NOIP. Please see “Risk Factors—Risks Relating to our Business and Operations—We are subject to risks inherent to intellectual property rights.” Pursuant to the share purchase agreement dated December 26, 2019 entered into between our Company and the sellers of ThiPha Cables and Dovina, neither the sellers nor any of their affiliates is permitted, in the course of any business, to use the words “Thinh Phat Cables” or “ThiPha Cables,” trade or service marks used by ThiPha Cables or Dovina, or other intellectual property rights which may cause confusion with such words, marks, names, designs or logos. Thinh Phat Real Estate - Cables JSC may continue to use its corporate name (including the word “Cables”) until the earlier of December 31, 2021 and the end of the calendar month for which the necessary construction permits, for an on-going residential project, are in force. The word “Cables” has to be removed from its corporate name thereafter.

In addition to the key trademarks disclosed above, as at the date hereof, we have certain trademarks which are also pending registration.

5 Legal Dispute

As at December 31, 2020, STARK and its subsidiaries have no significant legal disputes that may affect asset of STARK and its subsidiaries more than 5% of equity and have no legal disputes that may affect performance significantly.

6 General Information and Other Significant Information

STARK General Information

Company Name	: Stark Corporation Public Company Limited
Symbol	: STARK
Head Office Address	: 518/5 Maneeya Center Building, 16 th Floor, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330
Type of Business	: Holding company
Registered No.	: 0107546000466
Registered Capital	: THB15,875,206,607.00
Paid Capital	: THB11,906,404,956.00
Tel	: 5800-680-02
Fax	: 5899-680-02
Website	: http://www.starkcorporation.com/

Subsidiary, Associated Company General Information

Wire and Cable

Company Name	: Phelps Dodge International (Thailand) Limited
Symbol	: PDITL
Head Office Address	: 159 Moo 10, Soi Watratburana, Thepharak Road, Km.17, Bangpla, Bangplee, Samutprakarn 10540
Type of Business	: Wires and cables manufacturer and distributor
Registered No.	: 0105511002860
Registered Capital	: THB400,000,000
Paid Capital	: THB400,000,000
Tel	: 5800-680-02
Fax	: 5899-680-02
Website	: https://www.pdcable.com/

Company Name : **Thinh Phat Cables Joint Stock Company**
Symbol : Thipha Cables
Head Office Address : 144 A, Ho Hoc Lam Street, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam
Type of Business : Manufacturer of electric wires, cables, and non-ferrous products
Registered No. : 0315767095
Registered Capital : VND560,000,000,000)approximately THB733.04 million(
Paid Capital : VND560,000,000,000
Tel : +84 28 3825 3604
Fax : 3605 3825 28 84+
Website : <http://thiphacable.com/>

Company Name : **Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company**
Symbol : Dovina
Head Office Address : 35, Street No. 10, An Loi Dong Ward, District 2, Ho Chi Minh City, Vietnam
Type of Business : Manufacturer of non-ferrous metals and plastics for electric wires and cables
Registered No. : 0309174756
Registered Capital : VND250,000,000,000)approximately THB327.25 million(
Paid Capital : VND250,000,000,000
Tel : +84 28 3825 3604
Fax : 3605 3825 28 84+
Website : <https://dovinametal.com/>

Company Name : **Thai Cable International Co., Ltd.**
Symbol : TCI
Head Office Address : 227 Moo 4, Om Noi, Krathum Baen, Samut Sakhon
Type of Business : Manufacturer of electric wires and small cables
Registered No. : 0745562011071
Registered Capital : THB107,000,000
Paid Capital : THB107,000,000
Tel : 02-408-6333
Fax : 6338-408-02
Website : <http://www.nationcable.com/>

Company Name	: PDTL Trading Co., Ltd.
Symbol	: PDTL Trading
Head Office Address	: 518/5 Maneeya Center Building, 16 th Floor, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330
Type of Business	: Telephone and telecommunications equipment wholesale
Registered No.	: 0105523000166
Registered Capital	: THB1,000,000
Paid Capital	: THB1,000,000
Tel	: 5800-680-02
Fax	: 5899-680-02
Website	: -

Company Name	: Thai Copper Rod Co., Ltd.
Symbol	: TCR
Head Office Address	: 518/5 Maneeya Center Building, 16 th Floor, Ploenchit Road, Lumpinee, Pathumwan, Bangkok 10330
Type of Business	: Copper products manufacturer
Registered No.	: 0105523000166
Registered Capital	: THB100,000,000
Paid Capital	: THB100,000,000
Tel	: 5800-680-02
Fax	: 5899-680-02
Website	: http://www.thaicopperrod.com/

Manpower Services

Company Name	: Adisorn Songkhla Co., Ltd.
Symbol	: ADS
Head Office Address	: 39/15 Moo 10, Kanchanawanit Road, Khao Rup Chang, Mueang Songkhla, Songkhla
Type of Business	: Offshore manpower, property rental, logistics and engineering service provider
Registered No.	: 0905523000291
Registered Capital	: THB110,000,000
Paid Capital	: THB110,000,000

Tel : 500-302-074
Fax : 510-302-074
Website : <http://www.adisorn-skl.com/>

Company Name : ADS Logistics Co., Ltd.
Symbol : ADSL
Head Office Address : 39/15 Moo 10, Kanchanawanit Road, Khao Rup Chang, Mueang Songkhla, Songkhla
Type of Business : Property rental service provider
Registered No. : 0905557003161
Registered Capital : THB1,000,000
Paid Capital : THB1,000,000
Tel : 500-302-074
Fax : 510-302-074
Website : -

Company Name : Adisorn Songkhla International Co., Ltd.
Symbol : ADSI
Head Office Address : 39/15 Moo 10, Kanchanawanit Road, Khao Rup Chang, Mueang Songkhla, Songkhla
Type of Business : Offshore manpower and engineering service provider
Registered No. : 0905562001898
Registered Capital : THB1,000,000
Paid Capital : THB1,000,000
Tel : 500-302-074
Fax : 510-302-074
Website : -

Company Name : Adisorn Songkhla Marine Co., Ltd.
Symbol : ADSM
Head Office Address : 39/15 Moo 10, Kanchanawanit Road, Khao Rup Chang, Mueang Songkhla, Songkhla
Type of Business : Offshore manpower and engineering service provider
Registered No. : 0905562001871
Registered Capital : THB1,000,000

Paid Capital : THB1,000,000
Tel : 500-302-074
Fax : 510-302-074
Website : -

Company Name : **Adisorn Songkhla Professional Co., Ltd.**
Symbol : ADSP
Head Office Address : 39/15 Moo 10, Kanchanawarit Road, Khao Rup Chang, Mueang
Songkhla, Songkhla
Type of Business : Offshore manpower and engineering service provider
Registered No. : 0905562001880
Registered Capital : THB1,000,000
Paid Capital : THB1,000,000
Tel : 500-302-074
Fax : 510-302-074
Website : -

Section 2

Management and Corporate Governance

7 Securities Information and Shareholders

7.1 Registered Capital and Paid-up Capital

As at July 15, 2020

Registered Capital	12,146,404,955.50 Baht
Paid-up Capital	11,906,404,955.50 Baht
Common Stock	24,292,809,911 Shares
Paid-up Stock	23,812,809,911 Shares
Par Value	0.50 Baht
Market	SET

As at December 18, 2020

Registered Capital	11,906,404,955.50 Baht
Paid-up Capital	11,906,404,955.50 Baht
Common Stock	23,812,809,911 Shares
Paid-up Stock	23,812,809,911 Shares
Par Value	0.50 Baht
Market	SET

As at December 21, 2020

Registered Capital	15,875,206,607 Baht
Paid-up Capital	11,906,404,955.50 Baht
Common Stock	31,750,413,214 Shares
Paid-up Stock	23,812,809,911 Shares
Par Value	0.50 Baht
Market	SET

As at December 22, 2020

Registered Capital	15,875,206,607 Baht
Paid-up Capital	11,906,404,956 Baht
Common Stock	31,750,413,214 Shares
Paid-up Stock	23,812,809,912 Shares
Par Value	0.50 Baht
Market	SET

As at December 23, 2020

Registered Capital	15,875,206,607 Baht
Paid-up Capital	11,906,404,956 Baht
Common Stock	15,875,206,607 Shares
Paid-up Stock	11,906,404,956 Shares
Par Value	1 Baht
Market	SET

7.2 Shareholders

7.2.1 STARK's Shareholders

Top 10 major shareholders of the Company (last updated December 28, 2020)

No.	Shareholders	No of Shares	Percentage
1.	Tangkaravakoon Group		
	- Mr. Vonnarat Tangkaravakoon	13,874,500,001	58.152
	- Stark Investment Corporation Limited	5,000,000,000	20.997
2.	Mr. Rewin Pataibunlue	1,156,666,666	4.857
3.	Mr. Nuttapat Supanantaroek	713,269,138	2.995
4.	BANK OF SINGAPORE LIMITED-CLIENT 101400	216,000,000	0.907
5.	Bualuang Long-Term Equity Fund (B-LTF)	160,568,200	0.674
6.	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	159,100,000	0.668
7.	Mr. Naret Ngamaphichonm	153,000,000	0.643
8.	Thai NVDR Company Limited	80,717,204	0.339
9.	Mr. Sompong Chonkadeedumrongkul	68,970,000	0.290
10.	UBS EUROPE SE, LUXEMBOURG BRANCH	67,713,700	0.284
	Total	21,623,504,909	90.806

7.2.2 Shareholders in Subsidiaries Operating Core Business

(1) Phelps Dodge International (Thailand) Limited ("PDITL")

As at December 31, 2020

No.	Shareholders	No. of Shares	Percentage
1.	Stark Corporation Public Company Limited	397,115	99.2788
2.	Mrs. Chalermpan Viravaidhya	10	0.0025
3.	Mr. Santiphap Saragupta	10	0.0025
4.	Ms. Parimol Kanchanacharee	300	0.0750
5.	Mr. Pholsakdi Kanchanacharee	1664	0.4160
6.	Mrs. Busakorn Kanchanacharee	300	0.0750
7.	Mr. Kritda Kanchanacharee	600	0.1500
8.	Adisorn Songkhla Company Limited	1	0.0003
	Total	400,000	100

(2) Thinh Phat Cables Joint Stock Company ("Thipha Cables")

As at December 31, 2020

No.	Shareholders	No. of Shares	Percentage
1.	PD Cable (SG) PTE LTD.	55,999,998	99.999800
2.	Stark Corporation Company Limited	1	0.000002
3.	Phelps Dodge International (Thailand) Limited	1	0.000002
	Total	56,000,000	100

(3) Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ("Dovina")

As at December 31, 2020

No.	Shareholders	No. of Shares	Percentage
1.	PD Cable (SG) PTE LTD.	24,999,998	99.999992
2.	Stark Corporation Company Limited	1	0.000004
3.	Phelps Dodge International (Thailand) Limited	1	0.000004
	Total	25,000,000	100

(4) Thai Cable International Company Limited ("TCI")

As at December 31, 2020

No.	Shareholders	No. of Shares	Percentage
1.	NMN Holding 2 Company Limited	1,059,998	99.9998

2.	Stark Corporation Public Company Limited	1	0.0001
3.	Phelps Dodge International (Thailand) Limited	1	0.0001
	Total	1,060,000	100

(5) Adisorn Songkhla Company Limited (“ADS”)

As at December 31, 2020

No.	Shareholders	No. of Shares	Percentage
1.	Stark Corporation Public Company Limited	109,998	99.9982
2.	Mr. Vonnarat Tangkaravakoon	1	0.0009
3.	Mrs. Piyachanok Tangkaravakoon	1	0.0009
	Total	110,000	100

7.3 Issuance of other securities

As at December 31, 2020, the Company and its subsidiaries have issued securities as follows:

Type of Bond	Interest Rate per Annum	Guarantee	Due Date	Value (Million Baht)
Promissory Note	MLR – 1.25	1. The mortgage of a subsidiary's land, structures and machinery	February 16, 2021	200.0
Promissory Note	4.25	None	January 25, 2021 (Extend to April 23, 2021)	200.0
Promissory Note	MLR – 1.25	1. The mortgage of a subsidiary's land, structures and machinery	March 8, 2021	160.0
Promissory Note	MLR. – 1.25	1. The mortgage of a subsidiary's land, structures and machinery	January 14, 2021	40.0*
Promissory Note	MLR – 1.50	1. The mortgage of a subsidiary's land, structures and machinery 2. The Company and 2 subsidiaries 3. Guaranteed by a director of the Company	March 23, 2021	494.6
Promissory Note	MLR – 1.50	1. The mortgage of a subsidiary's land, structures and machinery	March 23, 2021	1,955.5

Type of Bond	Interest Rate per Annum	Guarantee	Due Date	Value (Million Baht)
		2. The Company and 2 subsidiaries 3. Guaranteed by a director of the Company		
Promissory Note	MLR – 1.50	1. The mortgage of a subsidiary's land, structures and machinery 2. The Company and 2 subsidiaries 3. Guaranteed by a director of the Company	March 23, 2021	22.9
Bridge Loan	BIBOR+3.85	1. The mortgage of a subsidiary's land, structures and machinery 2. The Company and 2 subsidiaries 3. Guaranteed by a director of the Company	March 31, 2021	1,630.4
Promissory Note	MLR – 1.50	1. The mortgage of a subsidiary's land, structures and machinery 2. The Company and 2 subsidiaries 3. Guaranteed by a director of the Company	March 31, 2021	989.2
Promissory Note	3.47 – 4.25	Subsidiary's land title deed	March 31, 2021	100.0
Promissory Note	4.47	Subsidiary's land title deed	March 22, 2021	68.0
Promissory Note	4.70	Subsidiary's land title deed	March 22, 2021	70.0
Promissory Note	4.70	Subsidiary's land title deed	March 22, 2021	30.0
Short-term Loan	MLR – 1.75	A trade receivable of a subsidiary	January 9, 2021	91.2*
Promissory Note	5.50	1. Cash at bank – time deposit 2. The subsidiary's right-of-use asset on land and machinery	January 19, 2021	23.8*
Promissory Note	5.50	1. Cash at bank – time deposit	January 20, 2021	1.9*

Type of Bond	Interest Rate per Annum	Guarantee	Due Date	Value (Million Baht)
		2. The subsidiary's right-of-use asset on land and machinery		
Promissory Note	5.50	1. Cash at bank – time deposit 2. The subsidiary's right-of-use asset on land and machinery	January 21, 2021	1.5*
Promissory Note	5.50	1. Cash at bank – time deposit 2. The subsidiary's right-of-use asset on land and machinery	January 22, 2021	18.6*
Promissory Note	5.50	1. Cash at bank – time deposit 2. The subsidiary's right-of-use asset on land and machinery	January 29, 2021	7.7*
Promissory Note	5.50	1. Cash at bank – time deposit 2. The subsidiary's right-of-use asset on land and machinery	February 4, 2021	5.8*
Promissory Note	5.50	1. Cash at bank – time deposit 2. The subsidiary's right-of-use asset on land and machinery	February 5, 2021	4.1*
Short-term Loan	3.19	1. Cash at bank – time deposit 2. The subsidiary's right-of-use asset on land and machinery	May 23, 2021	867.0
Promissory Note	3.55	None	February 9, 2021	100.0*
Bank overdraft	-	None	-	25.0
Billis of exchanges	5.80 – 6.50	None	December 31, 2021	424.0
Unsubordinated bond	6.00 – 6.75	None	December 31, 2021	168.1

* The Company already makes repayments for such borrowing on the due date.

7.4 Dividend Payment Policy

Dividend Payment Policy of STARK

STARK has a policy of dividend payment not less than 50% of net profit after tax and legal reserves and other reserves (if any) as well as any conditions stipulated in facility agreements. The dividend payment shall be aware of the best interests of the shareholders, and it shall not affect the significant operation of the Company; however, the rate of dividend may be revised depending on performance, financial status, liquidity, cash flow, necessity of working capital utilization, investment plan, business expansion, market condition, provision and restriction stated in facility agreements and other suitable reasons regarding performance and management subject to enough cash flow and the best interests of the shareholders according to the resolution of the Board of Directors' meeting; and afterwards, such dividend must be approved by the shareholders' meeting except interim dividend payment that the Board of Directors has an authorization to approve and be responsible for reporting to the next shareholders' meeting.

No dividend shall be paid out of funds other than profit. In the case where the Company still sustains an accumulated loss, no dividend shall be paid unless preferred shares specified otherwise in the articles of association. Dividend shall be distributed according to the number of shares in equal amount for each share, and must be duly approved by the shareholders' meeting.

Dividend Payment Policy of Subsidiaries

Its subsidiaries has a policy of dividend payment according to the resolution of the Board of Directors' meeting and shareholders' meeting of its subsidiaries each year. The dividend payment policy must not less than 30% of net profit stated in its financial statement after tax, legal reserves, other reserves (if any), any conditions stipulated in facility agreements; however, the rate of dividend may be revised depending on performance, cash flow, necessity in investment, provision and restriction stated in its facility agreements. The interim dividend payment can be approved by the Board of Director and shall be reported to the next shareholders' meeting.

8. Management Structure of STARK

8.1 Board of Directors

Name	Position	Board of Directors' Meeting	
		Number of Meeting	Number of Meeting Attended
1. Mr. Chanin Yensudchai	Chairman	10	10
2. Mr. Vonnarat Tangkaravakoon	Director	10	10
3. Mr. Chinawat Assavapokee	Director and, Nomination and Remuneration Committee	10	10

Name	Position	Board of Directors' Meeting	
		Number of Meeting	Number of Meeting Attended
4. Mr. Nirouth Jeakvathanyoo	Director	10	10
5. Mr. Sathar Chantrasettalead	Director, Chief Financial Officer and Company Secretary	10	10
6. Songpope Polachan, Ph.D.	Independent Director and Chairman of Audit Committee	10	9
7. Mr. Kusol Sangkananta	Independent Director, Audit Committee and Chairman of Nomination and Remuneration Committee	10	10
8. M.L. Peputtchai Benyabadhana	Independent Director, Audit Committee and Nomination and Remuneration Committee	10	9

Remark:

Songpope Polachan, Ph.D. unable to attend the Board of Director Meeting No. 7/2020 and M.L. Peputtchai Benyabadhana unable to attend the Board of Director Meeting No. 10/2020 due to another mission.

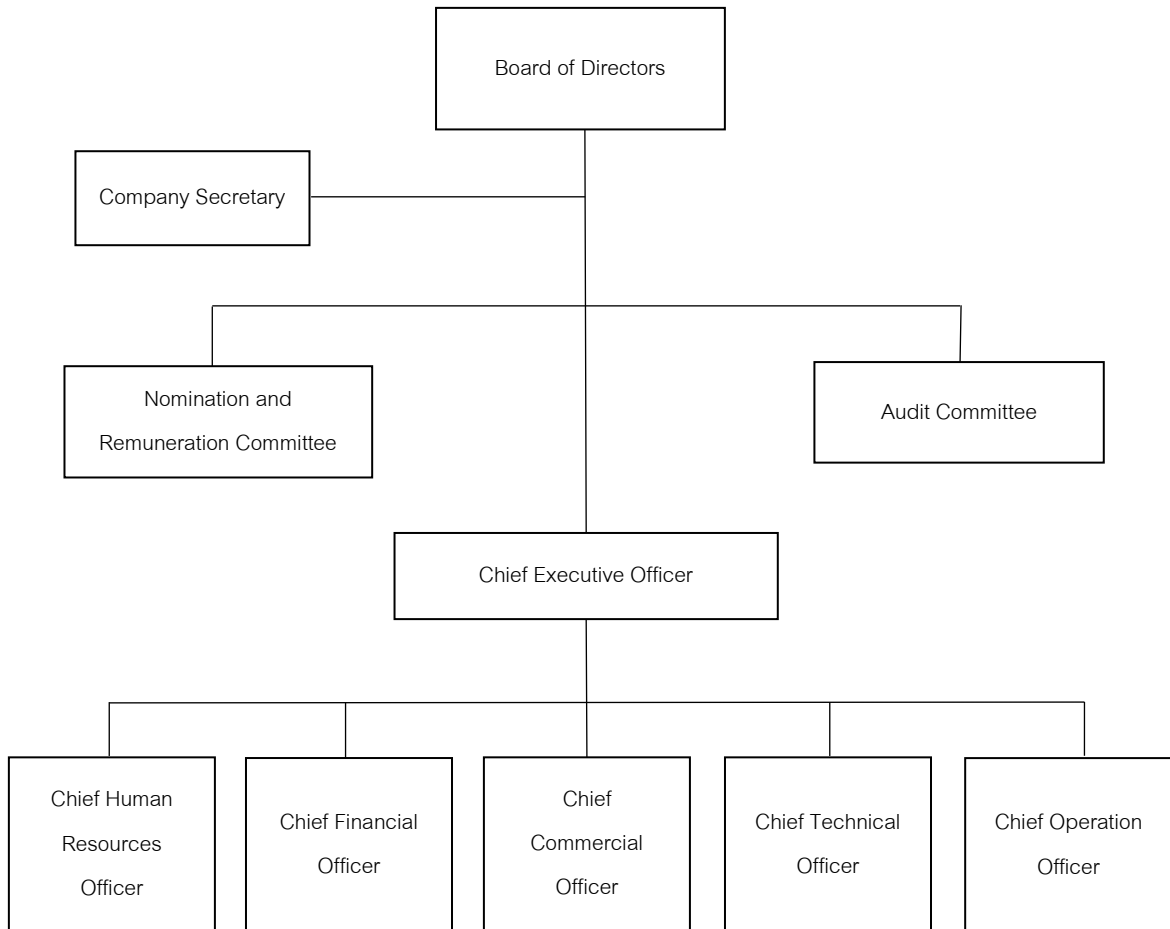
8.2 Executives

As at December 31, 2020, the executives consists of 6 persons as follows:

Name	Position
1 .Mr. Prakorn Makjumroen	Chief Executive Officer
2. Mr. Nirouth Jeakvathanyoo	Chief Human Resources Officer (Acting)
3. Mr. Sathar Chantrasettalead	Chief Financial Officer
4. Mr. Kittisak Jitprasertngam	Chief Commercial Officer
5. Mr. Phichet Lochanachit	Chief Technical Officer
6. Mr. Seree Yootanawaraporn	Chief Operation Officer

Remark: Resolutions of the Board of Directors' Meeting No.5/2020 held on April 2, 2020 appointed Mr. Prakorn Makjumroen as the Chief Executive Officer of the Company.

Organization Structure



8.3 Company Secretary

Board resolution appointed Mr. Sathar Chantrasettalead as the Company Secretary to support the Board of Directors in any activities, and to ensure that the Board of Directors and the Company comply with the laws and the requirements regarding good corporate governance stipulated by The Stock Exchange of Thailand. The qualification of the Company Secretary as shown in attachment no.1

8.4 Remuneration of the directors and executives

(1) Directors' Remuneration

Board of Directors		2020		
		Monthly Fixed Fee (Baht)	Meeting Attendance Fee (Baht)	Others
Board of Directors	Chairman	18,750	25,000	None
	Director	15,000	20,000	

Board of Directors		2020		
		Monthly Fixed Fee (Baht)	Meeting Attendance Fee (Baht)	Others
Audit Committee	Chairman	12,500	12,500	
	Director	10,000	10,000	
Nomination and Remuneration Committee	Chairman	None	25,000	
	Director	None	20,000	

Remark: According to the resolution of the 2020 Annual General Meeting held on May 13, 2020.

(2) Executives' Remuneration

In 2020, STARK paid the executives' remuneration composed of monthly salary, bonus and other remuneration such as provident fund totaling 2 persons which the value of 2.83 million baht.

8.5 Executives of Subsidiaries Operating Core Business

Subsidiaries operating wire and cable business

Name	Position
1. Mr. Kittisak Jitprasertngam	Chief Executive Officer Chief Commercial Officer
2. Mr. Sathar Chantrasettalead	Chief Financial Officer
3. Mr. Nirouth Jeakvathanyoo	Chief Human Resources Officer (Acting)
4. Mr. Phichet Lochanachit	Chief Technical Officer
5. Mr. Seree Yootanawaraporn	Chief Operation Officer

Subsidiaries operating manpower services business

Name	Position
1. Mr. Wirot Pongloke	Chief Executive Officer

8.6 Employees of STARK and its subsidiaries

8.6.1 The number of employees

As at December 31, 2020, the number of employees of STARK and its subsidiaries is 1,870 divided into:

As at December 31, 2020	STARK	PDITL	THIPHA CABLES	DOVINA	TCI	ADS
Management	2	12	39	15	1	1
Operation	-	309	400	160	161	61
Head Office	1	299	223	62	23	69
Foreign Employees (AEC)	-	11	-	-	-	-
Contract Employee	-	20	-	-	1	-
Total (Person)	3	651	662	237	186	131

In 2020 (January – December), STARK and its subsidiaries paid the employees remuneration composed of monthly salary, bonus and other remuneration such as provident fund totaling 1,978 persons which the value of 766.67 million baht.

Corporate Governance

9.1 Corporate Governance Policy

STARK is aware of the importance of good corporate governance that it is an important thing that will help to support the business of the Company to be efficient and grow with sustainability, which will lead to the highest benefits to all relevant parties, starting from employees, investors, shareholders, and other stakeholders.

Therefore, the Company's Board of Directors has agreed to prepare the good corporate governance policy to cover the significant principles, starting from structures, roles, duties, and responsibilities of the directors, to the work management principles of the executives with transparency, clear, and auditable as the guideline in the organization management to ensure that any operations of the Company are done with fairness and aware of the highest benefits of all shareholders and stakeholders, the guideline for the corporate governance of the Company as follows:

- The board should demonstrate a thorough understanding of its leadership roles, assume its responsibilities in overseeing the Company, and strengthen good governance
- The board should ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the Company operates in accordance with applicable laws, regulations, resolutions of the shareholders' meeting, policy and significant approval process, such as investment, entering into a transaction which may affect to the Company, related party transaction, acquisition and disposition of assets and dividend payment.

- The board should demonstrate a thorough understanding of the division of board and management responsibilities. The board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.
- The board should define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the Company.
- The board should be responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.
- The board should select an appropriate person as the chairman and ensure that the board composition serves the best interest of the Company, enabling the board to make its decisions as a result of exercising independent judgment on corporate affairs.
- The board should establish nomination and remuneration committee. The remuneration of the board should be consistent with the Company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director
- The board should ensure that all directors are properly accountable for their duties, responsibilities, and allocate sufficient time to discharge their duties and responsibilities effectively.
- The board should ensure that the Company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.
- The board should ensure that the board and each individual director understand their roles and responsibilities, the nature of the business, the Company's operations, relevant laws and standards, and other applicable obligations. The board should support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the board.
- The board should ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board should appoint a company secretary with necessary qualifications, knowledge, skills and experience to support the board in performing its duties.
- The board should ensure that a proper mechanism is in place for the nomination and development of the chief executive officer and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives

- The board should consider its responsibilities in the context of the Company's shareholder structure and relationships, which may impact the management and operation of the Company.
- The board should manage and monitor conflicts of interest that might occur between the Company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.
- The board should establish a clear anti-corruption policy and practices (including communication and staff training), and strive to extend its anti-corruption efforts to stakeholders.
- The board must ensure the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.
- The board should ensure that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated, and that the Company's governance framework provides for the consideration of stakeholder rights.
- The board should ensure the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders (such as analysts and potential investors).
- The board should ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

9.2 Board of Directors Structure

Board of Directors Structure consists of Board of Directors, Audit Committee, and Nomination and Remuneration Committee. The scope of duties and responsibilities are as follows:

9.2.1 Board of Director

Charter of Board of Directors

- The Company's Board of Directors must consist of no less than 5 directors. No less than half of the number of directors must reside in the Kingdom of Thailand. The Company's directors must have the qualifications as required by laws. The Company's directors must or must not be the shareholders of the Company.

- The Company's Board of Directors consists of Executive Director, Non-Executive Director, and Independent Director by which the Independent Director must be at least 1 in 3 and must be no less than 3 persons. There must be at least 1 non-executive director with the experience in the business or the main industry that the Company is conducted. The qualifications of the Independent Director must be in accordance with the Announcement of the Office of SEC.
- Have responsibilities as the leader of Company's Board of Director in supervising, providing advice, monitoring, and supporting the work management of Management Division and other Sub-Committee to achieve the objectives to ensure that the practice of duties of Board of Directors are efficient and can be achieved according to the objectives and the main targets of the organization.

Qualifications of Board of Directors

- Qualified in accordance with Public Limited Companies Act and Securities and Exchange Act
- The Company's Board of Directors must have knowledge, abilities, skills, various expertise, leadership, and experiences that are beneficial to the business with intention and business ethics, including experts with knowledge and ability in various branches with the independence in the revision of Company's operation.

Roles of Board of Directors

- Perform the duties according to the laws with responsibilities, carefulness, and honesty; protect the benefits of the Company; and pay attention in taking care of the operation of the Company to be in accordance with the laws, objectives, and requirements of the Company as well as the resolution of the Meeting of Board of Directors and the Meeting of Shareholders, including the requirements of the Stock Exchange and Office of SEC to be in accordance with the principle of good corporate governance.
- Determine the visions, missions, overall policies, directions, financial targets, risks, plans, and budgets as well as the significant strategy in the business operation of the Company with the ability, honesty, and prudence to protect the benefits of the Company and the benefits of the shareholders, including supervising the operation of the Administrative Division to be in accordance with the policy and the plan as assigned with efficiency, effectiveness, and correctly according to the requirements of laws and the provisions of organizational governance.
- Supervise for the Management Division to have the proper and efficient risk management system.
- Understand the structures, shareholders' relationship, and the policies of the parent company that affect the work management control of the subsidiaries.

- Appoint other individuals to proceed with the business of the Company under the control of the director or assign the authority for the said individual to have the authority and/or within the period as the directors see appropriate. The Board of Directors might cancel, revoke, change, or modify the said authority.
- Approve the making of the acquisition list or the disposal list of the assets of the Company, unless the said transaction must receive the approval from the Shareholders' Meeting. The consideration for the said approval must be in accordance with the announcements, requirements, and/or the regulations that are relevant to the Stock Exchange and/or Office of SEC.
- Approve the making of related party transactions, except the case that the said transaction must receive the approval from Shareholders' Meeting. Hence, the consideration for the said approval must be in accordance with the announcements, requirements, and/or regulations that are relevant to the Stock Exchange and/or Office of SEC.
- Approve the dividend payment between each other to the shareholders when it is seen that the Company has adequate profits to do so and report the said dividend payment to the Shareholders' Meeting in the following Shareholders' Meeting.

9.2.2 Audit Committee

Charter of Audit Committee

- The Audit Committee shall consist of at least 3 independent directors having qualifications and duties in accordance with the regulations of the Securities and Exchange Commission Thailand and the Stock Exchange of Thailand.
- The Audit Committee shall have sufficient knowledge and experience to perform the duty of the Audit Committee. There must be at least 1 member of the Audit Committee, who has the knowledge, understanding or experience in accounting, finance or auditing.

Qualifications of Audit Committee

- Qualified in accordance with Public Limited Companies Act and Securities and Exchange Act.
- Being an independent director having the following qualifications:
 1. Holding no more than 1 % of total voting shares of the Company, parent company, subsidiary, affiliate, and major shareholders or controlling persons of the Company including the shareholding of persons related to the independent directors.

2. Not currently be or never been the Company's executive director, worker, employee, salaried consultant, or controlling persons of the Company, parent company, subsidiary, affiliate, major shareholders or controlling person. Exception: It has been at least two years after the person has held the position before submission of form of notification of names and scope of work of the Audit Committee to the Securities and Exchange Commission Thailand. However, such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company.
3. Not by blood or legally registered with other directors, executives, major shareholders, controlling persons, or persons who will be nominated as directors, executives, or controlling parties of the Company or subsidiary.
4. Not currently having or never had any relations with the Company, parent company, subsidiary, affiliate, major shareholders or controlling persons of the Company in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the Company, parent company, subsidiary, affiliate, major shareholders or controlling persons of the Company. Exception: It has been at least two years after the person has held the position.
5. Not currently being or never been the auditor of the Company, parent company, subsidiary, affiliate, major shareholders or controlling persons of the Company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current auditor's auditing firm of the Company, parent company, subsidiary, affiliate, major shareholders or controlling persons of the Company. Exception: It has been at least two years after the person has held the position.
6. Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the Company including the parent company, subsidiary, affiliate, major shareholders or controlling persons of the Company with a fee more than THB 2 million per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position.

7. Not currently be operating under similar business nature and significant competition to the Company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the Company and subsidiary.
8. Not under any conditions that may impede the person from having independent views towards the Company's operations.
9. Being able to implement, give opinions or report on performance in a free and unrestricted manner in accordance with the entrusted task with free and clear of influence of the management or major shareholders including related persons or relatives of the management or major shareholders.

Roles of Audit Committee

- Review the Company's financial reports are correct and adequate by jointly reviewing with the auditor and management being responsible for preparing quarterly and annual financial reports as well as disclosing Company information before proposing to the Board of Directors.
- Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient and consider the independence of the office of internal audit related to the approval of appointing, transferring and terminating the head of the office of internal audit or other offices in charge of internal audit.
- Review that the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's rules and regulations, and other laws relating to the Company's business.
- Consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration to the Board of Directors before shareholder approval. Review with the independent auditors the objectivity of audit as well as issues that the independent auditors consider they may have material impact on the Company financial reports and to attend a meeting with the auditor without the presence of the management at least once a year.
- Review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations.

- Reporting the findings or suspicious transactions or any of the following acts which may materially affect the Company's financial condition and operating results, to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit
- Implement the tasks stated above for subsidiaries as assigned or requested by subsidiaries within the Audit Committee's scope of work.
- Look after whistle-blowing, complaints, suggestions or recommendations channels for reporting of inadequate financial statement or other issues so that a whistle-blower can confident that there are independent review process and appropriate follow-up process.

9.2.3 Nomination and Remuneration Committee

Charter of Nomination and Remuneration Committee

- The Nomination and Remuneration Committee shall consist of at least 3 members with the majority of its members being independent directors. The Chairman of Nomination and Remuneration Committee should be an independent director in order for transparency and independence.

Qualifications of Nomination and Remuneration Committee

- Having been appointed by the Board of Directors.
- Having knowledge, experience and expertise in business of the Company, laws and others.
- Being mature, able to express different opinions and independent.

Roles of Nomination and Remuneration Committee

Nomination

- Set up the nomination criteria, qualifications and experience for the directors, sub-committee.
- Nominate the directors and propose the Board of Directors for their consideration. The directors may be nominated and reappointed for another term or the directors are proposed by shareholders or the directors are recruited by outsource or the directors are considered from the chartered director or the Directors are proposed by each directors.
- Consider and elect the directors who have qualifications in accordance with the regulations.
- Ensure that qualifications of the directors comply with the laws and regulations.
- Recruit the Chief Executive Officer as assigned by the Board of Directors.

Remuneration

- Consider the remuneration criteria for the directors, sub-committee and Chief Executive Officer; review the appropriateness of the current remuneration criteria comparing with other companies in the same industry; set up the remuneration criteria in order to compensate productive persons who achieve the Company's target.
- Review methods of remuneration such as compensation, pay for performance and meeting allowance considered from the same industry, performance, size of company, responsibility, knowledge, potentiality, experience of the directors, Chief Executive Director as required by the Company.

9.2.4 Chief Executive OfficerScope of Authority of Chief Executive Officer

- Is the Chairman of all executives and is a person who takes the policies of the Board of Directors or the policies of the shareholders into practice.
- Manage the business of the company. In accordance with objectives, regulations, policies, regulations, orders and
- Resolution of the Board of Directors and / or the resolution of the shareholders' meeting of the Company and resolution of the Board of Directors and / or the resolution of the shareholders' meeting of the Company
- Make a strategic plan and annual budget plan to propose to the Board of Directors for approval
- Operate in accordance with plans and budgets approved by the Board of Directors.
- Prepare reports, plans and financial statements of the company to the Board of each quarter.
- Practice and operate the business to be in accordance with the policy and the operational direction of the Board of Directors of the Company.
- In case of essential matters or transactions that might affect the Company significantly, propose to the Board of Directors for approval.
- Monitor and operate the work to be in accordance with the plan and the policy as determined.
- Consider, supervise, and control the budget expenditure as approved by the Board of Directors of the Company. In case the expenditure is more than the budget, such expenditure must be approved by the Board of Directors of the Company.

- Have the authorities to approve the abovementioned business, except the assignment of authorities to approve the inter-transaction according to the definition of the Securities and Exchange Commission.
- Have the authorities consider the loan or to give loans or to request for any credits from the financial institutions, including being the surety. The Chief Executive Officer must propose the approval of transaction as mentioned above to the Board of Directors of the Company to ask for approval, especially for the loan that is used as the revolving fund that will be approved by the Board of Directors of the Company solely.
- Practice with honesty and protect the benefits of the Company.

9.2.5 Company Secretary

Charter of Company Secretary

- The Company Secretary must perform the duties with responsibility, carefulness, and honesty according to Securities Act, which determines specific roles, duties, and responsibilities of the Company Secretary as follows:
 - (a) Director Registration
 - (b) Meeting invitation for the Board of Directors' meeting and minutes of the Board of Directors' meeting
 - (c) Meeting invitation for Shareholders' meeting and minutes of Shareholders' meeting.
 - (d) Annual Report
- Keep the stake report that is reported by the directors or the executives.
- Proceed with the operations regarding the Board of Directors' meeting and shareholders' meeting.
- Provide suggestions regarding requirements and rules that the Board of Directors and the executives should know.
- Supervise and coordinate for the Company to practice according to the laws, requirements, provisions, and resolution of the meeting of the Board of Directors and shareholders' meeting, including the good corporate governance policy and the business ethics completely and accurately.
- The decision has been made with no stake, whether directly or indirectly, in the matters that the decision-making is needed.
- The action is done in good faith for the highest benefits of the Company.

- The action is done with the legal and appropriate objective and the action does not conflict or contradict the benefits of the Company with significance.
- The Company's information must not be exploited unless the information has been disclosed to the public. The assets or the business opportunity of the Company must not be used in a way that violates the rules or the general practices as determined by Capital Market Supervisory Board.
- Any agreements or contracts that might cause a conflict of interest with the Company, employees, or Company's customers or might contradict the practice of one's own duties must be made.
- Coordinate with the internal agencies of the Company to practice according to the resolution of the Company's Board of Directors and the resolution of Shareholders' meeting
- Coordinate with regulatory agencies, such as Stock Exchange Office. Supervise and disclose the information and report the information to the regulatory agencies and the public completely according to the laws
- Arrange an orientation and provide suggestions to the new directors in other duties as assigned from the Company
- Give advice about laws and rules that are relevant and practices regarding supervision in the operation of Committee to be in accordance with the laws
- Proceed with other operations as announced by Capital Market Supervisory Board

9.3 Nomination and appointment of directors and top management

In appointment of directors Nomination Committee consists of 2 independent directors from the total 3 Nominating Committees, responsible for the selection qualified according to the company's regulations and nominate qualified candidates to be a professional director by considers the structure, size and composition of the Board of Directors and proposing opinions to the Board of Directors and to seek approval from the directors, and the list of such directors in the agenda item of the shareholders' meeting to elect directors according to the following criteria.

The Nominating Committee has considered the nature of the business and future plans to determine the qualifications of the directors, having knowledge, abilities, skills, professional, leadership and experience the business benefit. Which must be a person with knowledge, abilities, skills, that will benefit business operations. Intention and ethics in business operations, including qualified persons with knowledge abilities in different fields

and independent in reviewing the operations of the company. The Nominating Committee provides opportunities for directors and shareholders to participate in nominating qualified directors.

The Nominating Committee has considered the nature of the business and the future plans are set the appointment of directors is subject to the following rules:

1. A shareholder has a vote of 1 share per 1 vote.
2. In the election of director, the vote might be needed to select the director individually for one or several persons per time as the Shareholders' Meeting sees appropriate. In each resolution, the shareholder must make a vote with the number of votes as in Item 2.1.1. The number of votes cannot be shared with any persons in any numbers. Therefore, the shareholder cannot share one's own vote in the election of director for any persons in any numbers according to the first paragraph of Section 70 of Public Limited Companies Act (voting by Non-Cumulative Voting only).
3. Those who receive the highest vote in respective order must be elected as director in the number that is equivalent to the expected number of directors or the number that should be elected during the time. In case the individual who is elected in the following order receives the vote in the number that exceeds the expected number of directors or the number that should be elected during the time, the Chairman of the Meeting must cast a vote. The board of directors shall elect a person possessed of qualifications and not possessed of disqualifications under Public Limited Companies Act or Securities and Exchange Act as the replacement director in the next meeting of board of directors, unless the remaining term of office of the director is less than two months.

The replacement director may hold only for the remainder of term of office of the director whom be replaced. The resolution of the board of directors must be supported by majority votes of number of the remaining directors.

9.4 Supervision of Operations Policy of Subsidiaries and Associated Companies

STARK and its subsidiaries has determined the policies to supervise and manage the business of subsidiaries and associated companies that conduct the main business with the objectives to determine the measures and the mechanisms both directly and indirectly for the Company to supervise and manage the business of subsidiaries and associated companies, including monitoring for the subsidiaries and the associated companies to comply with the measures and mechanisms that are determined as if it is their own agencies of the Company and to be in accordance with the policies of the Company, including the laws of public company limited, code of civil and commercial laws, securities laws, and relevant laws as well as the

announcements, requirements, and rules that are relevant with the Capital Market Supervisory Board, Securities and Exchange Commission, Office of Securities and Exchange Commission, and the Stock Exchange of Thailand to protect the benefits in the investment of the Company in the subsidiaries and the associated companies as follows

- The Company's Board of Directors will supervise the directors and the executives of Subsidiaries and the Associated Companies that are nominated or appointed by the Company to practice according to the roles and the responsibilities according to the laws, requirements, and policies of the Company.
- The Company's Board of Directors will monitor the operational result of Subsidiaries to be in accordance to the plan and the budget continuously and monitor for the Subsidiaries to disclose the information of financial status and the operational result
- The directors and the executives of Subsidiaries who are nominated or appointed by the Company have the duties as follow:
 - (1) Disclose the information about the financial status and the operational result, the making of inter-transaction of the Company or the Subsidiaries as well as the acquisition or the disposal of significant assets to the Company completely, accurately, and within the appropriate period as determined by the Company.
 - (2) Disclose and submit the stake information of oneself and relevant persons in the part that is relevant with any transactions in other businesses that might be predicted that it might cause the conflict of interest to the Company and/or the Subsidiaries to the Board of Directors of Subsidiaries or those that the Board of Directors of Subsidiaries has assigned within the period as determined by the Subsidiaries.
 - (3) Report the business plan, business expansion, and large investment project as well as the investment with other entrepreneurs to the Company through the monthly or quarterly performance report. Then, notify and deliver the documents for consideration as requested by the Company.
 - (4) Notify and/or deliver the information or the documents that are relevant to the operation or any documents to the Company when being requested in case of suitability.
 - (5) Be in charge for the Subsidiaries to have the internal control system, risk management system, and anti-corruption system appropriately, efficiently, and concisely to ensure that the operations of the Subsidiaries are truly in accordance with the Company's policies, laws, announcements, requirements, and rules that are relevant with the Capital Market Supervisory Board, Office of Securities and Exchange Commission, and the Stock Exchange of Thailand.

- The directors and the executives of the Subsidiaries who are nominated or appointed by the Company; employees; and staff or assigned persons of the Subsidiaries, including a spouse or underage child of the said individual are prohibited to use the internal information of the Company and the Subsidiaries, whether from action by duties or any other ways that significantly affect or might affect the Subsidiaries and/or the Company for the benefits of oneself or other persons whether directly or indirectly and whether receiving the compensation or not.
- The Company must proceed for the directors in the Subsidiaries who are appointed by the Company to attend the meeting and vote as the Company has determined in the Board of Directors' meeting of Subsidiaries in the consideration for agenda that is essential to the Subsidiaries' business at all time.

9.5 Prevention of Internal Information Policy

To ensure fair and equitable treatment of all stakeholders, STARK is recognized the importance of prevention of insider information and non-public material for personal benefit or the benefit of others. The Company has committed the policy and measures in any usage of insider information as follows:

1. The directors, executives and employees who are involved in the financial or accounting areas and are section managers or equivalent, as well as their respective spouses and minor children of the Company's group are prohibited to cease purchasing and/or selling securities of the Company for a period of 1 month prior to the Company publishing information regarding its operational results and financial status and 24 hours after the information disclosed to the public (Blackout Period).
2. The directors, executives and employees who are involved in the financial or accounting areas and are section managers or equivalent, as well as their respective spouses and minor children of the Company's group are prohibited to disclose the internal information with others whether directly or indirectly.
3. The directors, executives and employees who are involved in the financial or accounting areas and are section managers or equivalent, as well as their respective spouses and minor children of the Company's group are prohibited use non-public material of insider information to purchase and/or sell securities of the Company which taking advantage of other people whether it is during their period or not.

Furthermore, the directors, executives and their respective spouses and minor children must reported changes in their holdings of securities to The Securities and Exchange Commission in accordance with Section 59 and penalty clauses in Section 275 of the Securities and Exchange Act B.E. 1992 (and as amended) within 3 business days of the trade date and also notify to Company Secretary at any time the securities changed.

9.6 Auditor Fees

STARK and its subsidiaries have paid the audit fees to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for 2020 as follows: audit fee in the amount of 11,535,000 baht and non-audit fee in the amount of 1,660,000 baht.

9.7 Compliance with Other Good Corporate Governance

The attendance of the Board of Directors meetings, in sub-committees in accordance with good corporate governance principles

Name (Number of meeting attended / Number of meetings)	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Shareholders Meeting
1. Mr. Chanin Yensudchai	10/10	-	-	3/3
2. Mr. Vonnarat Tangkaravakoon	10/10	-	-	0/3
3. Mr. Chinawat Assavapokee	10/10	-	2/2	3/3
4. Mr. Nirouth Jeakvathanyoo	10/10	-	-	2/3
5. Mr. Sathar Chantrasettalead	10/10	-	-	3/3
6. Songpope Polachan, Ph.D.	9/10	3/4	-	3/3
7. Mr. Kusol Sangkananta	10/10	4/4	2/2	3/3
8. M.L. Peputtchai Benyabadhana	9/10	3/4	2/2	1/3

10. Social Responsibility

10.1 Overall Policy

In order to comply with the best practices regarding the ethics and morals of the Company and its subsidiaries. Stark Corporation Public Company Limited (the "Company") and subsidiaries to conduct business in accordance with ethical and ethical practices is an important basis for enhancing and upgrade good corporate governance and are the cornerstone of stability and sustainable growth. As well as something that will support the group to achieve set objectives. Therefore, the Company encourages the business operations and performance of the relevant parties of the Company and its subsidiaries to comply with the ethical and ethical practices as follows:

1. Ethics to shareholders

Directors, executives and employees of the Company and its subsidiaries perform their duties with honesty, transparency, and reliability. As a representative in conducting the business of shareholders by providing

disclosure or reporting of important information, situations and future trends of the business of the Company to shareholders in its entirety, consistently, taking into account the maximum benefits that shareholders will receive. Under regulation Requirements and relevant laws strictly. Providing an opportunity for shareholders to propose the agenda of the annual general meeting of shareholders and nominate qualified individuals to be nominated as Company directors in advance every year. Through the Company's website, which the Company has notified through the news system of the Stock Exchange of Thailand for the shareholders to be informed including the rules on those matters on the Company's website.

2. Ethics to employee

Employees are an important resource to drive successful business operations, so the Company attaches importance and prescribes practical guidelines and responsibilities to employees as follows:

- 2.1 Treat all employees equally and fairly. Respect for individuality and respect the privacy of employees by not disclosing the employee's information without permission, unless disclosed in accordance with the provisions of the law including complying with labor laws and other laws strictly related.
- 2.2 Providing fair compensation that is suitable for the knowledge, capability and duties assigned by each employee. And focus on continuous development of knowledge and capability, including providing appropriate welfare for employees.
- 2.3 Pay attention to the working environment by considering the safety and occupational health of the employees.

3. Ethics to customers

The Company is committed to maintaining a good long-term relationship with customers. Therefore, has established guidelines and responsibilities to customers as follows:

- 3.1 Deliver quality products and services that meet customer needs at a reasonable price.
- 3.2 Disclose news, information about products and services completely, accurately and without concealing, distorting facts.
- 3.3 Treat customers fairly and allow customers to make complaints about products or services as appropriate.
- 3.4 Keep confidentiality and do not disclose customer information without permission, unless disclosed in accordance with the provisions of the law.
- 3.5 Follow the terms and conditions with customers fairly. If unable to comply with the terms or conditions, must notify the customer to find a joint solution.

4. Ethics to business partners and creditors

To make the Company's business run smoothly and continuously, it requires support and good relations with business partners and business creditors. The Company takes into account the equality of business operations and mutual benefits. Suppliers must be honest, fair, transparent, verifiable, and avoid situations that may lead to conflicts of interest. In addition, the Company adheres to all contractual agreements and conditions with trade partners and creditors in the payment or reimbursement in accordance with the specified time, including the overseeing of various collaterals. In the event that it is unable to comply with the terms and conditions of the contract with the customers and creditors, the negotiation with the partners and creditors will be expedited to find a joint solution.

5. Ethics to competitors and trade competition

The Company supports and encourages free and fair trade competition, adheres to good competition rules and does not use any methods. In the pursuit of confidential information of competitors in order to disclose, to reduce any credibility or to damage the reputation of competitors or to violate the business ethics of the Company and its subsidiaries.

6. Ethics to society community and environment

The Company instills awareness among employees to feel responsible to society, communities and the environment by encouraging the directors to executives and employees behave as good citizens and abide by the laws and regulations of the society. Maintain good traditions, culture and traditions, as well as encourage employees to participate in various activities that are beneficial to society, communities and the environment, as well as encourage directors, executives, and employees to have good awareness of environmental preservation both inside and outside the organization. To have awareness of using resources or materials and equipment that are cost-effective and maximum efficiency. And strictly abide by the laws, regulations regarding safety, occupational health and environment.

7. Ethics regarding quality, safety and occupational health

The Company gives importance to the quality of safety and occupational health by providing knowledge to the directors, executives and employees regarding the safety, occupational health and the environment, especially in the operating area. In such area immediately and report the relevant department to remedy the said danger condition before continuing to work, including studying and rehearsing various emergency plans to reduce or prevent damage in case of various emergency.

10.2 Social and Environmental Activities

The operation and social and environmental activities are part of the Company's sustainable development goals. The Company is aware of social services in order to compensate for society and instill all staff in the organization to beware of society. In this regard, the Company has organized social activities annually for community development. The social and environmental activities are as follows:

1. The Company held a seminar “Phelps Dodge The New Era of Design Manual” for electrical engineer and electrical engineer specialist in the topic how to design and select the most suitable cable for the applications with high safety and also offer Electrical System Design Handbook for Exhibitors more than 300 people at Renaissance Bangkok Ratchaprasong Hotel, Bangkok on January 28, 2020.



2. The Company held “Phelps Dodge Design Forum” at Khonkaen International Convention Exhibition Center (KICE), Khonkaen Province on September 16, 2020



3. The Company held “Phelps Dodge Design Forum” at Nimman Convention Centre, Chiang Mai Province on September 23, 2020



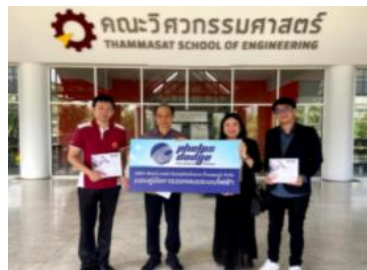
4. The Company held “Phelps Dodge Design Forum” at Royal Phuket City Hotel, Phuket Province on October 7, 2020.



5. The Company held “Phelps Dodge Design Forum” at Centara Hotel Hat Yai, Hat Yai Province on October 21, 2020.



6. The Company offered Electrical System Design Handbook 3,400 books and example cables for the instructional media to the college and university faculty of Engineering 62 institutes.



7. The Company held Workshop “Load Calculation” for electrical engineering students at Thammasart University



11. Internal Control and Risk Management

The Board of Directors and the Management has seen that internal control and risk management is an important and continued to emphasize with a focus on the internal control system of the company that suitable and sufficient for the business operations to achieve maximum efficiency as well as taking care of property to reducing mistakes that may occur and prevent damage to the company. Financial management, Risk management And Supervision of Operations to ensure that the Company's business operations will be able to achieve the objectives and able to create value in the long term. In addition, the Board of Directors and the

Management promote and push the company operate in accordance with rules and regulations in order to prevent any damage to the company.

The Audit of Committee Meeting No. 1/2020 held on February 23, 2020 have the opinion can be summarized on the sufficiency of the internal control system for the year 2020, divided into the following topics:

1. Payroll process

The Company has adequacy of the internal system regarding payroll policy, rules, regulations, procedure, work manual, payroll structure, employees' job description, related compliance, employees' income calculation, expense calculation.

2. Warehouse and Inventory Management

The Covid-19 pandemic situation affects an unworkable of specied maximum stock and minimum stock; however, the Company has revised specification for inventory and has followed up every month. For inventory count, Rayong plant has no written layout for finished products and retain products in the unspecified area due to the limited storage space; however, the Company has made a layout for finished product as well as it is in the process of adding a storage apce and recording product position.

3. Fixed asset management – Rayong Plant

The Company has made written policy and work manual uncovering some issues and there are no timeframe for a work manual review; however, asset accountant has revised such work manual to be cleared and covered all significant processes. Furthermore, the Company has made a written annual asset count but there is no 2020 asset count plan. In this regard, the Company has prepared 2021 asset count plan including person in charge.

The Audit of Committee Meeting No. 1/2020 held on February 23, 2020, has appointed P&L Internal Audit Company Limited to monitor and control system of PDITL. P&L Internal Audit Company Limited assigned Ms. Monnapat Phumirattanajarin to be a head of internal audit.

The Audit of Committee has considered the qualifications of P&L Internal Audit Company Limited and Ms. Monnapat Phumirattanajarin that suitable for the performance of such duties due to independence and have experience in performing internal audit work in business / industry that is the same as the company and attended a course related to the practice of internal audit such as CAC SME Independent Auditor Certification, Internal Auditing Certificate Program (ACP), Certified Professional Internal Audit of Thailand (CPIAT).

The consideration and approval of the appointment, removal, transfer of the head of the internal audit department must be approved from the Audit Committee and the qualification of the head of the internal audit as shown in attachment no.3

12. Related Party Transaction

12.1 Information of the relationship of persons and juristic persons who may have a conflict of interest of the Company and its subsidiaries

List of persons and juristic persons who may have a conflict of interest of the Company and its subsidiaries for a fiscal year ended on December 31, 2020.

The persons who may have a conflict of interest	Nature of Business	Relationship with the Company
1. Team A Holding Co., Ltd.	Activities of holding companies, of mostly investing in logistics business	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Vonnarat Tangkaravakoon. - Mr. Vonnarat Tangkaravakoon, who is the major shareholder with the Company, holds shares in Team A Holding Co., Ltd. 100.00% of its paid-up capital.
2. MM Logistics Co., Ltd.	Road transport services of freight by other goods and engineering activities and related technical consultancy	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A Holding Co., Ltd. which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 99.99% of MM Logistics Co., Ltd.'s paid-up capital.
3. MM Freight Forwarding Co., Ltd.	Scheduled freight air transport	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A Holding Co., Ltd. which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 99.99% of MM Freight Forwarding Co., Ltd.'s paid-up capital.
4. MM Carrier Co., Ltd.	Road transport services of freight by other goods	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A Holding Co., Ltd. which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 99.99% of MM Carrier Co., Ltd.'s paid-up capital.
5. MM Catering Co., Ltd.	Other food service activities	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A Holding Co., Ltd. which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 99.99% of MM Catering Co., Ltd.'s paid-up capital.

The persons who may have a conflict of interest	Nature of Business	Relationship with the Company
6. Connection Lathe Services Co., Ltd.	Manufacture of other basic iron and steel	<ul style="list-style-type: none"> - There is a common directors with the Company, 2 persons, namely Mr. Vonnarat Tangkaravakoon and Mr. Chanin Yensidchai. - Team A Holding Co., Ltd. which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 99.99% of Connection Lathe Services Co., Ltd.'s paid-up capital.
7. Industrial Construction & Maintenance Services Public Company Limited	Other building and industrial cleaning activities	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A Holding Co., Ltd., which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 73.91% of Industrial Construction & Maintenance Services Public Company Limited's paid-up capital.
8. T.C.K. Interplas Co., Ltd.	Manufacture of plastic packaging	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A 3 Holding Co., Ltd., which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 98.41% of T.C.K. Interplas Co., Ltd.'s paid-up capital.
9. Superpack Plastic Co., Ltd.	Manufacture of plastic packaging	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A 3 Holding Co., Ltd., which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 99.99% of Superpack Plastic Co., Ltd.'s paid-up capital.
10. Propet (Thailand) Co., Ltd.	Manufacture of plastic packaging	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A 3 Holding Co., Ltd., which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 99.99% of Propet (Thailand) Co., Ltd.'s paid-up capital.
11. TOA Paint (Thailand) Public Co., Ltd.	Manufacture of paints, varnishes and similar coatings and mastics	<ul style="list-style-type: none"> - There is a common director with the Company, 1 person, namely Mr. Vonnarat Tangkaravakoon. - Mr. Vonnarat Tangkaravakoon, who is the major shareholder with the Company, holds shares in Team A Holding Co., Ltd. 9.00% of its paid-up capital.

The persons who may have a conflict of interest	Nature of Business	Relationship with the Company
12. M.M. Asia Co., Ltd.	Established according to law of Hong Kong Special Administrative Region of the People's Republic of China operating logistics services	- There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead.
13. Asia Pacific Drilling Engineering Co., Ltd.	Wholesale of industrial machinery and equipment	- There is a common director with the Company, 1 person, namely Mr. Sathar Chantrasettalead. - Team A Holding Co., Ltd., which has a common major shareholder with the Company, namely Mr. Vonnarat Tangkaravakoon, holds 60.00% of Asia Pacific Drilling Engineering Co., Ltd.'s paid-up capital.
14. Right Tunnelling Co., Ltd.	Construction of streets, roads, bridges or tunnels	- There is a common director with the Company, 1 person, namely Mr. Songpope Polachan.
15. Bee Wave Co., Ltd.	Other management consultancy activities	- Bee Wave Co., Ltd. holds 49.00% of ADS Logistics Co., Ltd.'s paid-up capital.
16. Mr. Vonnarat Tangkaravakoon	N/A	- Mr. Vonnarat Tangkaravakoon is the director and major shareholder of the Company, holds 58.15% of the Company's paid-up capital.

12.2 Related Party Transaction of persons and juristic persons who may have a conflict of interest of STARK

12.2.1 Team A Holding Co., Ltd.("TAH")

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Long term loan				
<u>Long term loan</u> PDITL issued 4 promissory notes to TAH with 69.82million baht limit (call loan).	-	-	Such transaction is a financial assistance to be used as a fund for business expansion and working capital. The interest rate is set at 5.25% per annum based on the borrowing cost of PDITL at the borrowing date plus an additional interest rate of approximately 1.00% per annum. In addition, PDITL repaid all loan and accrued interest in March 2019.	Financial supporting transaction to related company which determines the interest rate that reflects the financial costs of PDITL. However, the management has called for repayment of the loan and accrued interest according to the schedule. In the future, providing financial supporting transaction to related parties and its subsidiary must comply with the related regulations of the Stock Exchange of Thailand and the management must consider to comply with such regulations before entering into future financial supporting transactions.
<u>Interest revenues</u>	0.71	-		
<u>Accrued interest revenues</u>	-	-		
<u>Long term loan</u> ADS issued 1 promissory note to TAH with 63.37 million baht limit (call loan)	63.37	-	Such transaction is a financial assistance to be used as a fund for business expansion and working capital. The interest rate is set at 5.50 – 6.25% per annum based on MLR Kasikornbank PCL.	Financial supporting transaction to related company which determines the interest rate that reflects the financial costs of PDITL. However, the management has called for repayment of the loan and accrued interest according to the schedule. In the future, providing financial supporting transaction to
<u>Interest revenues</u>	62.96	-		
<u>Accrued interest revenues</u>	250.02	-		

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
				related parties and its subsidiary must comply with the related regulations of the Stock Exchange of Thailand and the management must consider such regulations before entering into future financial supporting transactions.
2 .Short term loan				
<u>Short term loan</u> TAH issued a promissory notes to TAH2 (formerly known as a major shareholder of PDITL) with 299.33 million baht limit (call loan).	-	-	Such transaction is a financial assistance to be used as a fund for business expansion and working capital according to the Company's normal business. The interest rate is set at	Receiving financial supported from related company which is beneficial to TAH2 eventhough there is a slightly higher interest rate than the Company borrowed from
<u>Interest revenues</u>	4.17	-	%6.25 per annum based on the borrowing cost of TAH at the borrowing date plus an additional interest rate of approximately	financial institutions but such loans does not provide collateral to the lender which is considered beneficial to TAH2 In terms of increasing the borrowing capacity because if borrowing from a financial institution requires additional collateral.
<u>Accrued interest revenues</u>	-	-	%1.00per annum There are accrued interest revenues from TAH2 since September 2015, However, TAH2 has gradually repaid accrued interest because there is no repayment call for loan or interest from TAH. In this regard, TAH2 has a policy to gradually repay loans and accrued interest. It is	However, as the Board of Directors has commented that when TAH2 has sufficient liquidity, the management should consider the repayment of such loans and accrued interest.

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
			expected to pay back all of the amounts after receiving the capital from the issue of share and right offering to the existing shareholders which are expected to be repaid during June – July 2019.	In the first quarter of 2019, the management has gradually repaid the loan. And after receiving the capital increase, the company should repay the loan and all accrued interest according to schedule. According to general trading conditions with the transaction value is not significant.
3 .Administrative expenses				
<u>Administrative expenses</u> TAH provided administrative services that the contract term is 1 year	15.6	-	The transaction has expired on December 31, 2019	The Board of Directors has commented that the transaction was occurred before business transfer, transaction was recorded in accordance with accounting standard, and the contract expired on December 31, 2019. Therefore, the transaction completely finished.
<u>Accounts payable</u>	1.39	-		

12.2.2 MM Logistics Co., Ltd.(“ MML”)

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Revenue from sales				
<u>Revenue from sales</u> PDITL sells cable wires and building wires to MM	8.81	0.01	The transaction of sales of wires and cables are normal business of PDITL calculating the price by method of adding cost and a	According to general trading conditions with the transaction value is not significant.
<u>Accounts receivable</u>	7.50	0.25		

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
			reasonable profit margin with general trade conditions.	
2 .Transportation services – PDITL				
<u>Purchase fee</u> MM provides transportation services to PDITL in order to transport main materials for producing goods. The transportation costs, labor costs including expenses in relation to import of goods were reimbursed PDITL. The related expenses such as value added tax, custom fees, shipping cost and port fees	40.15	135.76	The transaction is normal business of PDITL, Transportation costs, labor and equipment rentals have a service charge at a comparable rate with other MM's customer service The costs that associated with importing MM products will be based on actual costs.	Such transaction is appropriated because it is a transaction that has the same commercial terms as the third party. MM is a major transportation service provider. PDITL regularly compares and evaluates service rates and quality compared with other service providers.
<u>Other current payable</u>	8.81	18.62		
<u>Transportation fee</u> MM provides transportation service, labor and equipment rentals in order to transport goods to costumers	107.21	88.60		
.2Transportation services – ADS				
<u>Service fees</u> MM provides car rental service to ADS since there is an emergency situation.	1.29	4.48	The transaction is a temporary service since there are no enough shuttle cars.	Such transaction is appropriated because it is a transaction that has the same price and commercial terms as the third party in which PDITL has compared and evaluated the service rate and quality compared with other service providers.
<u>Accounts payable</u>	0.33	1.53		

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
.2Transportation services – TCI				
<u>Service fees</u> MM provides transportation service to TCI in order to transport main material for producing goods. The transportation costs, labor costs including expenses in relation to import of goods were reimbursed TCI accordingly.	-	1.25	The transaction is normal business of TCI	Such transaction is appropriated because it is a transaction that has the same commercial terms as the third party. MM is a major transportation service provider. TCI regularly compares and evaluates service rates and quality compared with other service providers.
<u>Accounts payable</u>	-	0.36		
3 .Providing warehouse space rental – PDITL				
<u>Other revenue</u> PDITL provides 540 sq.m. warehouse space rental service at Bangplee, Samut Prakan to MM	1.20	1.20	MM rented the area from PDITL with the rental fee at 100,000 baht per month. The rental rate is approximately 185 baht per square meter	The renting of such space is appropriated. However, the management should call for repayment of accrued rental according to the period specified in the credit term.
<u>Other current receivables</u> The accrued rent for September – December 2020	2.09	0.3	with the method of determining rental fees based on the nearby area. In the case of accrued rent, PDITL called repayment in order to comply with the credit terms given to MM.	
4 .Providing services – ADS				
<u>Revenue from rendering of services</u> PDITL provides personal shuttle car rental and parking space rental services	17.66	23.49	The transaction of property rental is normal business of ADS. The rental rate is	Such transaction is appropriated because it is a transaction that has the same price and commercial terms as the third party in which
<u>Accounts receivable</u>	3.14	15.61		

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
			appropriated compared with other service providers.	PDITL has compared and evaluated the service rate and quality compared with other service providers.
4 .Short term loan				
<u>Short term loan to related company</u> MM issued 1 promissory note to ADS with 25 million baht limit (call loan).	-	25.00	Such transaction is a financial assistance to be used as a fund for business expansion and working capital according to the Company's normal business. The interest rate is set at %5.25 per annum based on the borrowing cost of lender at the borrowing date plus an additional interest rate of approximately %1.00per annum	Receiving financial support from related company that the interest rates is higher than the rate that PDITL borrowed from financial institutions. PDITL didn't provide additional collateral to a lender.
<u>Accured interest revenues</u>	-	0.27		
<u>Interest revenues</u>	-	0.38		
5 .Short term loan – PDITL				
<u>Interest revenues</u> PDITL issued 1 promissory note to MM with 18 million baht limit. MM has repaid full loan amount to PDITL. As of March 31, 2019, there is no outstanding balance.	0.12	-	Such transaction is a financial assistance to be used as a fund for business expansion and working capital. The interest rate is set at 5.30% per annum based on the borrowing cost of PDITL at the borrowing date plus an additional interest rate of approximately 1.00%	Receiving financial support from related company that the interest rates is similar to the rate that PDITL borrowed from financial institutions. Although MM has repaid full loan amount, the transaction is financial support to related party. TAH2 and subsidiaries must comply with connectd transactions of the

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
			per annum. Currently, MM has repaid full loan amount.	Stock Exchange of Thailand and the management must consider connected transactions before entering into future financial supporting transactions.
6 .Short term loan – PDTL Trading				
<u>Short term loan to related company</u> PDTL Trading issued 1 promissory note to MM with 30 million baht limit (call loan).	30.00	30.00	Such transaction is a financial assistance to be used as a temporary working capital to MM. The interest rate is set at 1.65% per annum based on the financial cost of PDTL Trading. PDTL Trading has no loan from financial institutions.	Providing financial support from related company that the interest rates is similar to the financial cost of PDTL Trading that is the fixed interest rate. The transaction is financial support to related party. TAH2 and subsidiaries subsidiaries must comply with connectd transactions of the Stock Exchange of Thailand and the management must consider connected transactions before entering into future financial supporting transactions.
<u>Interest revenues</u>	0.04	041.		
<u>Accured interest revenues</u>	0.04	046.		
.7Short term loan – TCI				
<u>Short term loan to related company</u> TCI issued 1 promissory note to MM with 131.88 million baht limit (call loan).	-	131.88	Such transaction is a financial assistance to be used as a temporary working capital to MM. The interest rate is set at 5.25% per annum that is similar to the interest rate of financial institution borrowed by TCI.	Providing financial support from related company that the interest rates is similar to the financial cost of TCI. The transaction is financial support to related party must comply with connectd transactions of the Stock Exchange of Thailand and the management
<u>Interest revenues</u>	-	4.42		
<u>Accured interest revenues</u>	-	12.48		

Transaction	Transaction Value (Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
				must consider connected transactions before entering into future financial supporting transactions.

12.2.3 MM Freight Forwarding Co., Ltd.(“ MMF(“

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Transportation services				
<u>Purchase fee</u> MMF provides transportation services to PDITL in order to transport main materials for producing goods. The transportation costs, labor costs including expenses in relation to import of goods were reimbursed PDITL. The related expenses such as value added tax, custom fees, shipping cost and port fees_.	-	23.93	Such transaction is in accordance with the general business of PDITL. Transportation costs, labor and equipment rentals have a service charge at a comparable rate with other MMF's customer service The costs that associated with importing MMF products will be based on actual costs.	Such transaction is appropriated because it is a transaction that has the same commercial terms as the third party. MMF is a major transportation service provider. PDITL regularly compares and evaluates service rates and quality compared with other service providers.
<u>Other current payable</u>	-	1.17	Such transaction is in accordance with the general business of PDITL. Transportation	Such transaction is appropriated because it is a transaction that has the same commercial

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>Transportation fee</u> MMF provides transportation services, labor and forklift rental to PDITL in order to transport goods to customers.	3.10	23.75	costs, labor and equipment rentals have a service charge at a comparable rate with other MMF's customer service	terms as the third party. MMF is a major transportation service provider. PDITL regularly compares and evaluates service rates and quality compared with other service providers.
<u>.2Short term loan – TCI</u>				
<u>Short term loan to related company</u> TCI issued 6 promissory notes to MM with 24.74 million baht limit (call loan).	-	24.74	Such transaction is a financial assistance to be used as a temporary working capital to MMF. The interest rate is set at 6.50% per annum that is similar to the interest rate of financial institution borrowed by TCI.	Providing financial support from related company that the interest rates is similar to the financial cost of TCI. The transaction is financial support to related party must comply with connectd transactions of the Stock Exchange of Thailand and the management must consider connected transactions before entering into future financial supporting transactions.
<u>Interest revenues</u>	-	1.21		
<u>Accured interest revenues</u>	-	2.49		

12.2.4 MM Carrier Co., Ltd.) MMC("

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Providing Services				

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>Rendering of Services</u> MMC provides car maintenance service	0.86	0.83	Such transaction is in accordance with the general business of ADS. The rate of service charge can be comparable to other customer services of MMC.	Such transaction is appropriated because it is a transaction that has the same price and commercial terms as the third party in which PDITL has compared and evaluated the service rate and quality compared with other service providers.
<u>Accounts receivable</u>	0.19	0.12		
2 .Transportation Services				
<u>Transportation fee</u> MMC provides transportation services to ADS in order to transport goods for international customers.	1.81	134.	Such transaction is in accordance with the general business of ADS. The rate of service charge can be comparable to other customer services of MMC.	Such transaction is appropriated because it is a transaction that has the same price and commercial terms as the third party in which ADS has compared and evaluated the service rate and quality compared with other service providers.
<u>Accounts receivable</u>	0.08	029.		

12.2.5 MM Catering Co., Ltd.(“ MMCA(”

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Providing Services				
<u>Revenue from rendering of services</u> MMCA provides freezer maintenance service	0.06	0.13	Such transaction is in accordance with the general business of ADS. The rate of service	Such transaction is appropriated because it is a transaction that has the same price and

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>Accounts receivable</u>	-	0.01	charge can be comparable to other customer services of MMCA.	commercial terms as the third party in which MMCA has compared and evaluated the service rate and quality compared with other service providers.

12.2.6 Connection Lathe Services Co., Ltd.) CLS("

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Revenues from Rendering of Services – ADS				
<u>Revenues from rendering of services</u> Providing equipment maintenance services to CLS	0.58	077.	Such transaction is in accordance with the general business of ADS. The rate of service charge can be comparable to other customer services of CLS.	Such transaction is appropriated because it is a transaction that has the same price and commercial terms as the third party.
<u>Accounts receivable</u>	1.25	0.73		
.2Buying of steel wheels				
<u>Investment in assets (Buying steel wheels from CLS)</u> PDITL buys steel cable drum from CLS	-	0.01	Such transaction is an investment transaction in assets by buying steel wheels from CLS which is necessary for PDITL's business operation. Thus, investment project in the asset has considered and planned with CLS as part of lower PDITL's operating cost which has reduced the cost of PDITL to procure such	Such transaction is appropriate and the management has studied and implemented for the benefit of PDITL. However, if there is another sale of steel to CLS, the management should consider comparing the benefits and expenses to benefit PDITL as much as possible.
<u>Account payables</u>	-	-		

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
			assets when compared to buying from other steel wheel manufacturers and distributors.	
.3Space Rental – ADS				
<u>Space rental</u> CLS provides space rental for office staff and business operations.	2.23	2.79	Such transaction is providing services of CLS in Singhanakorn, Songkhla province. The rate of service is compare to neighborhood.	Such transaction is appropriate and the management has studied and implemented for the benefit of ADS.
<u>Account payables</u>	0.23	007.		
4 .Withholding Tax				
<u>Withholding tax</u> CLS had overpaid withholding tax. PDITL deducted tax for repayment.	0.31	-	The transaction is a general business transaction.	According to general trading conditions.

12.2.7 Industrial Construction & Maintenance Services Public Co., Ltd. “ICS”

Transaction	Transaction Value) Million Baht(		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Sales of Products				
<u>Revenue from sales</u> PDITL sells wires and cables to ICS in order to install solar rooftop which PDITL buys from ICS.	1.92	4.61	The transaction of sales of wires and cables which are normal business of PDITL and ICS brought for its own internal uses are calculated the price by method of adding	According to general trading conditions.
<u>Accounts receivable</u>	1.42	6.35		

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
			cost and a reasonable profit margin with general trade conditions.	
2 .Buying of the Solar Rooftop				
<u>Investment in assets (Solar rooftop)</u> PDITL buys solar panel from ICS for solar rooftop at PDITL's factory. In relation to capacity expansion, there is additional construction of PDITL's factory	37.00	53.99	Such a transaction is an investment transaction in assets (Solar rooftop) which is used for PDITL's business operations. Thus, investment project in the asset as part of lower PDITL's operating cost which has reduced the cost of PDITL in production and operation.	Such transaction is appropriate and the management has studied and implemented for the benefit of PDITL.
<u>Other current payables</u>	0.41	1.56	The price of solar panels is compared to buying from other suppliers. Other current	However, the management should call for payment of the outstanding fee shortly.
<u>Other current receivables</u> There is outstanding fee for borrowing money that PDITL borrowed from a financial institution (Front end fee). ICS agrees to bear some fees of 1.00 million baht.	1.00	1.00	receivables are the fee for borrowing money that PDITL borrowed from a financial institution (Front end fee) to invest in the solar panel. ICS agrees to bear some fees of 1.00 million baht. PDITL will expedite repayment call.	
3 .Providing Office Space Rental				
<u>Other revenues</u> PDITL provides 16,029 sq.m.)land and building 3,009 sq.m., land 13,020 sq.m.) space rental for	2.65	2.64	Such transaction is the rental of assets by determining the rental fee of 220,000 baht per	Such transaction is appropriated and the management has allocated the remaining

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
factory and office buildings at Nikhom Phatthana, Rayong province which is PDITL's rayong plant.			month based on the cost of building the construction with the area that PDITL does not use to operate or store inventories.	space and beneficial to PDITL. The management should consider the rental rate to be in accordance with the market price.
<u>Other current receivables</u> There are rent arrears and outstanding utility charges from ICS.	1.73	3.96		
4 .Loan Term Loan - PDITL				
<u>Long term loan</u> PDITL issued 1 promissory note to MM with 25 million baht limit (call loan).	-	-	This transaction is a financial assistance to be used as a fund for business expansion and working capital. The interest rate is set at MLR - 1.00% per year based on the borrowing cost of PDITL at the borrowing date plus an additional interest rate of approximately 1.00% per year. Therefore, PDITL has received repayment of all loans and accrued interest during March 2019	Providing financial support to related company that has a fixed interest rate close to the financial cost of PDITL borrowed from financial institutions. Although PDITL will receive the loan repayment but In the future, providing financial supporting transaction to related parties and its subsidiary must comply with the related regulations of the Stock Exchange of Thailand and the management must consider to comply with such regulations before entering into future financial supporting transactions.
<u>Interest revenues</u>	0.26	-		
<u>Accrued interest revenues</u>	-	-		
.5Loan Term Loan - TCI				
<u>Long term loan</u> TCI issued 2 promissory notes to ICS with 22.30 million baht limit (call loan).	-	22.30	Such transaction is a financial assistance to be used as a fund for business expansion and working capital. The interest rate is set at 5.00-	Providing financial support from related company that the interest rates is similar to the financial cost of TCI. The transaction is

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>Interest revenues</u>	-	0.16	6.10% per annum based on the borrowing cost of TCI at the borrowing date.	financial support to related party must comply with connected transactions of the Stock Exchange of Thailand and the management must consider connected transactions before entering into future financial supporting transactions.
<u>Accrued interest revenues</u>	-	0.26		

12.2.8 T.C.K. Interplast Co., Ltd.) TCKI("

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Revenue from Sales - PDITL				
<u>Revenue from sales</u> PDITL sells wires, cables and PVC Tape to TCKI.	0.06	0.07	The transaction of sales of wires cables and PVC Tape are normal business of PDITL. PDITL calculated the price by method of adding cost and a reasonable profit margin with general trade conditions.	According to general trading conditions with the transaction value is not significant.
<u>Accounts receivable</u>	0.02	-		
1 .Revenue from Sales - TCI				
<u>Revenue from sales</u> TCI sells wires, cables and PVC Tape to TCKI.	-	0.05	The transaction of sales of wires cables and PVC Tape are normal business of TCI. TCI calculated the price by method of adding cost and a reasonable profit margin with general trade conditions.	According to general trading conditions with the transaction value is not significant.

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>.2Purchase Fee</u>				
<u>Purchase fee</u> PDITL buys pallet from TCKI	-	0.05	The transaction is appropriated. The purchase fee is compared to other service provider.	According to general trading conditions with the transaction value is not significant.

12.2.9 Superpack Plastic Co., Ltd.) SPP("

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>1 .Revenue from Sales</u>				
<u>Revenue from sales</u> PDITL sells wires, cables and PVC Tape to SPP.	0.02	0.02	The transaction of sales of wires cables and PVC Tape are normal business of PDITL. PDITL calculated the price by method of adding cost and a reasonable profit margin with general trade conditions.	According to general trading conditions with the transaction value is not significant.
<u>Other income</u> PDITL sells wires, cables and PVC Tape to SPP.	-	0.01		
<u>Accounts receivable</u>	0.01	0.03		

12.2.10 Propet (Thailand) Co., Ltd. ")PRO("

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>1 .Revenue from Sales - PDITL</u>				
<u>Revenue from Sales</u> PDITL sells wires, cables and PVC Tape to PRO.	-	0.13	The transaction of sales of wires cables and PVC Tape are normal business of PDITL.	According to general trading conditions with the transaction value is not significant.

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>Other income</u> PDITL sells wires, cables and PVC Tape to PRO.	-	0.02	PDITL calculated the price by method of adding cost and a reasonable profit margin with general trade conditions.	However, the management should call for repayment of accrued rental according to the period specified in the credit term.
<u>Accounts receivable</u>	0.09	0.02		
Revenue from Sales - TCI				
<u>Revenue from Sales</u> TCI sells wires, cables and PVC Tape to PRO.	-	0.02	The transaction of sales of wires cables and PVC Tape are normal business of TCI. TCI calculated the price by method of adding cost and a reasonable profit margin with general trade conditions.	According to general trading conditions with the transaction value is not significant. However, the management should call for repayment of accrued rental according to the period specified in the credit term.
2 .Administrative Fee				
<u>Administrative fee</u> PDITL provides administrative service that the contract term is 1 year	1.50	-	The contract is reviewed annually	Such transaction is appropriated.
<u>Accounts receivable</u>	1.62	-		
3 .Purchase Fee				
<u>Purchase fee</u> PDITL buys pallet from PRO	0.13	0.19	The transaction is appropriated. The purchase fee is compared to other service provider.	According to general trading conditions with the transaction value is not significant.
<u>Account payables</u>	-	0.11		
4 .Short Term Loan				
<u>Short term loan to related company</u>	-	3.00		

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
PRO issued 1 promissory note to STARK with 3.00 million baht limit (call loan).			Such transaction is a financial assistance to be used as a fund for business expansion and working capital. The interest rate is set at 4.72% per annum based on the borrowing cost of the lender at the borrowing date.	Receiving financial support from related company which is beneficial to STARK eventhough there is a slightly higher interest rate than STARK borrowed from financial institutions but such loans does not provide collateral to the lender.
<u>Accrued Interest</u>	-	0.06		
<u>Interest Paid</u>	-	0.06		

12.2.11 TOA Paint (Thailand) Public Co., Ltd. ("TOA")

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Space Rental Fee and Network Services Fee				
<u>Space rental fee and network services fee</u> PDITL leases server storage and receives network and data center services as well as receives consulting services from TOA	0.48	0.48	Such transactions are necessary and reasonable. It is a transaction supporting the business of PDITL, where the rental of space and receiving such services The price is equal to 40,000 baht per month which is comparable to the service rate according to the general market price	Such transaction is appropriated because the term and conditions are same as the term provided to the third party.
<u>Other current payables</u>	0.06	0.06		
2 .Buying of Exterior Painting				
<u>Buying of exterior painting</u> PDITL buys exterior painting from TOA	0.57	2.67	Such transaction is a product sales which is a normal business of PDITL. Price calculation	According to general trading conditions with the transaction value is not significant.

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
			by cost method plus appropriate profit margin and general trade conditions.	

12.2.12 M.M. Asia Co., Ltd.) MMA("

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Cost of Manpower Services – ADS				
<u>Service fee</u> MMA is a representative who recruits overseas staff working for ADS	24.66	24.66	The transaction is bases on normal business. MMA charges to ADS accordind to actual cost.	According to general trading conditions.
<u>Accounts payable</u>	61.94	43.14		

12.2.13 Asia Pacific Drilling Engineering Co., Ltd.) APDE("

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Providing Space Rental				
<u>Service fees</u> ADS provides space rental.	1.46	1.46	The transaction is providing space rental. The rental is 120,000 baht per month.	The transaction is appropriated. The Manangement utilized the remaining space and earned profit to ADS. The Management should consider rental rate according to the market price.

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
Accounts receivable	0.25	075.		
2 .Receiving Services				
<u>Service fees</u> APDE had an extra employment for the customer	-	0.08	The transaction is based on normal business. APDE employed staff according to a quotation. Such transaction is comparable appropriately. In this regard, the project finished on December 31, 2020.	According to general trading conditions.

12.2.14 Right Tunnelling Co., Ltd. “) RIGHT(”

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
.1Sales of Cable Wire				
<u>Revenue from sales of cable wire</u> PDITL sells cable wire and building wire to RIGHT.	1.19	1.04	The transaction is based on normal business of PDITL. The purchase price is considered from the cost of sales and plus an additional interest rate which are appropriated and normal trade conditions.	According to general trading conditions with the transaction value is not significant.

12.2.15 Bee Wave Co., Ltd.“) BWAVE(“

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
.1Long term loan				
<u>Long-term loan</u> Long-term loan for construction fee to ADS	5.69	5.69	Long-term loan without interest. The management is in the process of repayment	Such transaction is appropriated. The management utilizes the remaining space that is beneficial for ADS.

12.2.16 Mr. Vonnarat Tangkaravakoon“) Mr. Vonnarat(“

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
1 .Short-term loan - PDITL				
<u>Short-term loan</u> Mr. Vonnarat issued 3 promissory notes with 145.00 million baht credit limit to PDITL dividing into - 25.00 million baht promissory note which a due date is January – February 2019 - 120.00 million baht promissory notes which a due date is April – May 2019	-	-	Such transaction is financial assistance (short-term loan) to be used as working capital and determine the interest rate of 4.00% which is based on the financial cost of the lender. PDITL repaid full amount loan and accrued interest, namely 25.00 million baht promissory note repaid in the first quarter of 2019 and the remaining promissory notes repaid in April 2019.	Receiving financial support from related persons which is beneficial to PDITL, with a lower interest rate than PDITL borrowed from financial institutions. PDITL does not provide collateral to the lender.
<u>Interest expenses</u>	1.65	-		
1 .Short-term loan - ADS				

Transaction	Transaction Value) Million Baht)		Necessity and Reasonableness of the Transaction	Opinions of the directors of STARK (with independent directors attending the meeting)
	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020		
<u>Short-term loan</u> Mr. Vonnarat issued 1 promissory note with 10.00 million baht credit limit to ADS .	-	10.00	Such transaction is financial assistance (short-term loan) to be used as working capital and determine the interest rate of 5.60% which is based on the financial cost of the lender.	Receiving financial support from related persons which is beneficial to ADS, with a lower interest rate than ADS borrowed from financial institutions. ADS does not provide collateral to the lender.
<u>Interest expenses</u>	-	0.06		
1 .Short-term loan - TCI				
<u>Short-term loan</u> Mr. Vonnarat issued 1 promissory note with 24.00 million baht credit limit to TCI.	-	24.00	Such transaction is financial assistance (short-term loan) to be used as working capital and determine the interest rate of 5.60% which is based on the financial cost of the lender.	Receiving financial support from related persons which is beneficial to TCI, with a lower interest rate than TCI borrowed from financial institutions. TCI does not provide collateral to the lender.
<u>Interest expenses</u>	-	1.31		

12.3 Collateral

STARK and its subsidiaries entered into collateral transactions with the persons who may have a conflict of interest as at December 31, 2019 and December 31, 2020 as follows:

Credit Limit	Borrower	Guarantor	Outstanding Balance as at December 31, 2019 (Million Baht)	Outstanding Balance as at December 31, 2020 (Million Baht)	Necessity and Reasonableness of the Transaction	Opinion of the Directors of STARK (with independent directors attending the meeting)
Loan from financial institutions with 300.00 million baht credit limit.	ADS	Mr. Vonnarat Tangkaravakoon (Currently, TOA Paint (Thailand) Public Co., Ltd. released the guarantee obligations.	207.37	138.20	Such transaction is a financial assistance to be used as a working capital of ADS.	ADS received the financial assistance from the major shareholder without guarantee fee charged that is beneficial for ADS.

12.4 Necessity and Reasonableness of the Transaction

The significant related transactions between STARK & its subsidiaries and juristic persons & persons who may have a conflict of interest are revenue from sales, material, providing space rental, interest, cost of buying materials, cost and expenses of transportation and expenses of interest from loan. The Audit Committee had reviewed such transactions and agreed that the related transactions are fair and in the best interests of STARK and its subsidiaries as well as have a reasonable pricing and condition policy.

12.5 Procedures for approving related transactions

In order to protect investors in the case of related transaction with persons who may have conflicts in the future, STARK is arranging the procedure to consider and clarify the price and conditions of each party so that the auditor can review and disclose such transactions in the notes to the financial statements. In the event that there is a related transaction which is a normal business transaction and had happened before and related to STARK's core business and/or items that may cause conflicts of interest, the Audit Committee will consider necessity and reasonableness of the transaction and the report of the Audit Committee's comments to the STARK's Board of Directors.

In the event that there is an item that is not a normal business transaction or other items that is not related to STARK's core business and may be cause conflicts of interest, STARK will proceed to allow the Audit Committee to have a preliminary hearing prior to enter the transaction. STARK will arrange for consideration by passing the meeting of the Board of Directors with the Audit Committee to attend the meeting to ensure that the transaction is fair and have a reasonable pricing and condition policy. The directors who have conflicts of interest do not have the right to vote in such transactions and if the Audit Committee has no expertise in considering any related transactions, STARK will provide independent experts or the auditor of STARK, who gives an opinion on such related transactions in order to report to the Board of Directors of STARK or shareholders as appropriated.

12.6 Future trends or policies for related party transactions

STARK expects that in the future, STARK may continue to conduct related transactions with juristic persons and/or persons who may have conflicts of interest. Since these related transactions are necessary and beneficial to STARK, the future trend of related party transactions can be summarized as follows:

1. Normal business transactions, including revenue from sales of electrical wires and important raw materials for the production and storage of electrical wires. These transactions are in accordance with the normal business of the Company and its subsidiaries and the price and trading conditions are in accordance with the market price and trading conditions which these items are expected to continue.
2. Supported normal business transactions, including costs and expenses for transportation of raw materials and products. These transactions are in accordance to support the normal business of STARK

and the price and trading conditions are in accordance with the price and trading conditions. STARK market expects that these transactions will continue to occur continuously.

3. Rent or lease of property not over 3 years, ie renting space Rental of buildings, etc. It is expected that this type of item may occur in the future as necessary.
4. Transaction related to assets or services, including acquisition or disposal assets. It is expected that this type of item may occur in the future as necessary.
5. Providing or receiving financial assistance
 - Providing Financial Assistance: STARK and its subsidiaries will not provide financial assistance to major shareholders or directors or related companies but in the case of subsidiaries or associates (if any), STARK will provide assistance in proportion to the shareholding by considering the interest rate during that period and charge interest on loans according to the risk of the borrower at a reasonable rate.
 - Receiving Financial Assistance: STARK and its subsidiaries may receive financial assistance from major shareholders or directors or related companies to use as working capital or funding for its future business expansion by considering the necessity and reasonableness of the loan amount and the appropriate interest rate.

Part 3

Financial Status and Performance

13 Key Financial Information

13.1 Company's Audit Summary

Financial information of Stark Corporation Public Company Limited (the Company) over the last 3 years refers to the financial statements of which the details are as follows:

1. Financial statements of Team A Holding 2 Company Limited ("TAH2") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited for the fiscal year ended December 31, 2018

2. Financial statements of Stark Corporation Public Company Limited (the Company) ("STARK") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited for the fiscal year ended December 31, 2019.

3. Financial statements of Stark Corporation Public Company Limited (the Company) ("STARK") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited, PD CABLE (SG) PTE. LTD. ("PD Cable"), Thinh Phat Cables Joint Stock ("TPC"), Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ("DVN"), NMN Holding 2 Company Limited and Thai Cable International Company Limited ("TCI") for the fiscal year ended December 31, 2020.

which can be concluded as follows:

Financial Statements	Certified Public Accountant
Consolidated financial statement, Separate financial statements of TAH2 and financial statements of its subsidiaries for the fiscal year ended December 31, 2018	<p>Mr. Nantawat Samruanhan Certified Public Accountant, Registration No. 7731 Deloitte Touche Tohmatsu Jaiyos Audit Company Limited</p>
Consolidated financial statement, Separate financial statements of STARK and financial statements of	

Financial Statements	Certified Public Accountant
its subsidiaries for the fiscal year ended December 31, 2019.	
Consolidated financial statement, Separate financial statements of STARK and financial statements of its subsidiaries for the fiscal year ended December 31, 2020	

Summary of the audit report for the financial statements for the fiscal year ended 31 December 2018

In our opinion, the aforementioned financial statements above presents the financial status of Team A Holding 2 Company Limited (“TAH2”) and its subsidiaries of TAH2 for the fiscal year ended December 31, 2018 and performance and cash flow for the year ended on the same date which is accurate in accordance with the Financial Reporting Standards for Public Interests.

Summary of the audit report for the financial statements for the fiscal year ended 31 December 2018

In our opinion, the consolidated financial information of the Company as December 31, 2018 has been compiled in accordance with the criteria described in the Note of the consolidated financial information same as Item 2 Subject: criteria for budgeting and Item 3 Subject: Important assumptions in preparing of the consolidated financial information same as in essence.

Summary of the audit report for the financial statements for the fiscal year ended 31 December 2019

In our opinion, the separated and consolidated financial statements above present financial status of Stark Corporation Company Limited (the Company) and its subsidiaries and of Stark Corporation Company Limited (the Company) as December 31, 2019 and performance and cash flow for the year ended the same date are correct, in essence, in accordance with Thai Financial Reporting Standards.

Summary of the audit report for the financial statements for the fiscal year ended 31 December 2020

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Stark Corporation Public Company Limited and its subsidiaries and of Stark Corporation Public Company Limited as at December 31, 2020, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

13.2 Financial Statements

Statement of Financial Position

The Company's statement of financial position refers to the data from the financial statements as follows:

1. Data regarding the financial status for the year ended December 31, 2018 refers to the data from the consolidated financial statements in the audit version of Team A Holding 2 Company Limited ("TAH2") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited which are prepared according to the Financial Reporting Standards for Public Interests

2. Data regarding the financial status for the year ended December 31, 2018 and the fiscal year ended December 31, 2019 refers to the data from the financial statements of reverse takeover as Siam Inter Multimedia Public Company Limited (the Company) issues the shares to exchange with the assets and liabilities of TAH2 in order to be able to understand the Company's financial status after entering into this transaction

3. Data regarding the financial status for the fiscal year ended December 31, 2019 refers to the data from the financial statements of audited consolidated financial statements of Stark Corporation Public Company Limited (the Company) ("STARK") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited which are prepared according to the Financial Reporting Standards for Public

Data regarding the financial status for the fiscal year ended December 31, 2020 refers to the data from the financial statements of audited consolidated financial statements of Stark Corporation Public Company Limited (the Company) ("STARK") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited, Adisorn Songkla Profesional Company Limited, PD CABLE (SG) PTE. LTD. ("PD Cable"), Tinh Phat Cables Joint Stock ("TPC"), Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ("DVN"), NMN Holding 2 Company Limited and Thai cable International Company Limited ("TCI") which are prepared according to the Financial Reporting Standards.

Financial Statements	As at					
	December 31, 2018 ¹ (Restated)		December 31, 2019 ¹ (Audited)		December 31, 2020 ² (Audited)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Assets						
Current Assets						
Cash and cash equivalents	655.11	4.75	1,431.14	11.31	1,156.03	4.23
Other Financial Asset	-	-	-	-	58.46	0.21
Trade and other current receivables	4,917.54	35.68	3,464.59	27.38	6,041.75	22.12
Deferred cost of services	10.61	0.08	7.23	0.06	7.41	0.03
Short-term loans to a related company	-	-	30.00	0.24	208.92	076.
Receivable – foreign exchange forward contracts	1.56	0.01	-	-	-	-
Inventories	3,358.72	24.37	3,671.42	29.01	8,618.00	31.55
Current tax assets	17.10	0.12	1.92	0.02	0.39	0.00
Cash at bank pledged as collateral	-	-	-	-	143.02	0.52
Other current assets	68.40	0.50	100.77	0.80	96.94	0.35
Total Current Assets	9,029.04	65.52	8,707.07	68.81	16,330.92	59.78
NON-CURRENT ASSETS						
Cash at bank pledged as collateral	39.06	0.28	39.07	0.31	2.09	0.01
Investment in an associate	65.20	0.47	64.70	0.51	63.67	0.23

Financial Statements	As at					
	December 31, 2018 ¹		December 31, 2019 ¹		December 31, 2020 ²	
	(Restated)		(Audited)		(Audited)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Long-term loans to related companies	1,133.42	8.22	63.37	0.50	43.37	0.16
Advance payments for purchases of fixed assets	23.95	0.17	83.27	0.66	17.38	00.6
Investment properties	179.74	1.30	172.43	1.36	237.37	0.87
Property,plants and equipment	2,384.63	17.30	2,603.58	20.57	4,212.54	15.42
Usage right assets	-	-	-	-	273.27	1.00
Royalties	-	-	-	-	0.74	0.00
Goodwill	893.47	6.48	893.47	7.06	6,049.78	22.15
Deferred tax assets	-	-	-	-	49.43	0.18
Other Intangible asset	20.27	0.15	13.66	0.11	8.15	003.
Other non-current assets	11.85	0.09	14.08	0.11	27.78	0.10
Total Non-current assets	4,751.58	34.48	3,947.62	31.19	10,985.57	40.22
TOTAL ASSETS	13,780.62	100.00	12,654.69	100.00	27,316.49	100.00
LIABILITIES						
CURRENT LIABILITIES						
Bank overdraft and short-term borrowings from financial insitutions	471.30	3.42	1,706.30	13.48	7,107.24	26.02
Trade and other current payables	6,474.82	46.98	4,787.54	37.83	10,247.60	37.51
Current portion of long-term borrowings from financial institutions	2,616.86	18.99	481.27	3.80	986.84	3.61

Financial Statements	As at					
	December 31, 2018 ¹		December 31, 2019 ¹		December 31, 2020 ²	
	(Restated)		(Audited)		(Audited)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Current portion of liability under finance lease agreement	17.00	0.12	17.77	0.14	74.39	0.27
Short-term borrowings from related companies	299.33	2.17	-	-	28.00	0.10
Short-term borrowings from related person	145.00	1.05	-	-	34.00	0.12
Other short-term borrowings	675.00	4.90	822.00	6.50	592.16	2.17
Current portion of other long-term borrowings	30.00	0.22	185.00	1.46	70.00	0.26
Payable – interest rates swap agreement for hedging purpose	2.04	0.01	-	-	-	-
Payable – foreign exchange forward contracts for hedging purpose	38.54	0.28	53.27	0.42	191.28	0.70
Payable – foreign exchange forward contracts for other purposes	14.27	0.10	-	-	-	-
Corporate income tax payable	48.94	0.36	65.80	0.52	279.17	1.02
Other current liabilities	31.30	0.23	18.56	0.15	38.49	0.14
Total Current Liabilities	10,864.41	78.84	8,137.51	64.30	19,649.17	71.93
NON-CURRENT LIABILITIES						
Long-term borrowings from financial institutions	475.33	3.45	1,588.46	12.55	2,999.32	10.98
Long-term borrowings from related companies	5.70	0.04	5.70	0.05	5.70	0.02
Liability under finance lease agreement	56.91	0.41	39.13	0.31	159.20	0.58
Other long-term borrowings	185.00	1.34	160.00	1.26	305.00	1.12
Deferred tax liabilities	237.93	1.73	237.12	1.87	228.97	0.84
Provisions for employee benefits	113.70	0.83	151.44	1.20	178.96	0.66

Financial Statements	As at					
	December 31, 2018 ¹		December 31, 2019 ¹		December 31, 2020 ²	
	(Restated)		(Audited)		(Audited)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Other non-current liabilities	24.00	0.17	21.96	0.17	26.45	0.10
Total Non-Current Liabilities	1,098.57	7.97	2,203.82	17.42	3,903.60	14.29
TOTAL LIABILITIES	11,962.98	86.81	10,341.33	81.72	23,552.77	86.22
SHAREHOLDERS						
SHAREHOLDERS' EQUITY						
Ordinary shares	403.97	2.93	14,332.76	113.26	15,875.21	58.12
Issued and paid-up share capital	323.21	2.35	14,049.56	111.02	11,906.40	43.59
Premium on ordinary shares	33.85	0.25	-	-	-	-
Discount on ordinary shares	-	-	(1,711.14)	(13.52)	-	-
Adjustment of equity interests under reverse	(356.06)	(2.58)	(10,542.18)	(83.31)	(10,542.18)	(38.59)
OTHER SURPLUSES						
Discount from business combination under common control	-	-	(640.28)	(5.06)	(640.28)	(2.34)
Surplus arising from change in ownership interest in a subsidiary	147.08	1.07	147.08	1.16	147.08	0.54
RETAINED EARNINGS (DEFICIT)						
Appropriated – legal reserve						
Unappropriated	837.22	6.08	964.68	7.62	2,935.11	10.74
Exchange rate difference from financial statements conversion	-	-	-	-	(97.64)	(0.36)
Total equity of the parent company	985.30	7.15	2,267.72	17.92	3,708.50	13.58

Financial Statements	As at					
	December 31, 2018 ¹ (Restated)		December 31, 2019 ¹ (Audited)		December 31, 2020 ² (Audited)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Non-constrolling interests	832.34	6.04	45.64	0.36	55.22	0.20
Total Shareholders' Equity	1,817.64	13.19	2,313.37	18.28	3,763.72	13.78

Statement of profit or loss comprehensive

The Company's statement of profit or loss comprehensive refers to the data from the financial statements as follows:

1. Performance data of the company for the financial status for the year ended December 31, 2018 refers to the data from the audited consolidated financial statements in the audit version of Team A Holding 2 Company Limited ("TAH2") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited which are prepared according to the Financial Reporting Standards for Public Interests

2. Performance data of the company for the fiscal year ended December 31, 2018 and fiscal year ended December 31, 2019 refers to the data from the financial statements of reverse takeover as Siam Inter Multimedia Public Company Limited issues the shares to exchange with the assets and liabilities of TAH2 in order to be able to understand the Company's financial status after entering into this transaction.

3. Performance data of the company for the financial status for the year ended December 31, 2019 refers to the data from the audited consolidated financial statements in the audit version of Stark Corporation Public Company Limited (the Company) ("STARK") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited which are prepared according to the Financial Reporting Standards

4. Performance data of the company for the financial status for the year ended December 31, 2020 refers to the data from the audited consolidated financial statements in the audit version of Stark Corporation Public Company Limited (the Company) ("STARK") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited, Adisorn Songkla Profesional Company Limited, PD CABLE (SG) PTE. LTD. ("PD Cable"), Tinh Phat Cables Joint Stock ("TPC"), Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ("DVN"), NMN Holding 2 Company Limited and Thai Cable International Company Limited ("TCI") which are prepared according to the Financial Reporting Standar

STATEMENT OF PROFIT OR LOSS COMPREHENSIVE	As at					
	December 31, 2018 ¹		December 31, 2019 ¹		December 31, 2020 ²	
	(Audited)		(Audited)		(Audited)	
	UNIT: MB	Percentage	UNIT: MB	Percentage	UNIT: MB	Percentage
REVENUES						
Revenue from sale	10,420.00	87.30	10,149.58	86.82	15,070.71	85.90
Revenue from rendering services	1,382.66	11.58	1,330.57	11.38	1,744.51	9.94
Rental income	51.81	0.43	48.70	0.42	42.82	0.24
Gain on foreign exchange rate-net	72.11	0.60	151.97	130.	645.33	3.68
Other income	9.77	0.08	10.19	0.09	40.61	0.23
Total Revenues	11,936.36	100.00	11,691.01	100.00	17,543.98	100.00
EXPENSES						
Costs of sales	(9,142.20)	(76.59)	(8,905.14)	(76.17)	(12,439.75)	(70.91)
Costs of rendering services	(1,190.54)	(9.97)	(1,163.12)	(9.95)	(1,401.15)	(7.99)
Costs of rental	(32.40)	(0.27)	(34.40)	(0.29)	(28.51)	(0.61)
Distribution costs	(224.98)	(1.88)	(258.80)	(2.21)	(427.34)	(2.50)
Administrative expenses	(291.42)	(2.44)	(348.64)	(2.98)	(438.25)	(2.50)
Loss from fair value measuring of derivatives	-	-	-	-	(146.66)	(0.84)
Cost of Acquisition of Listed Company Status	-	-	(162.45)	(1.39)	-	-
Total Expenses	(10,881.54)	(91.16)				

STATEMENT OF PROFIT OR LOSS COMPREHENSIVE	As at					
	December 31, 2018 ¹		December 31, 2019 ¹		December 31, 2020 ²	
	(Audited)		(Audited)		(Audited)	
	UNIT: MB	Percentage	UNIT: MB	Percentage	UNIT: MB	Percentage
Financial Income	71.14	0.60	68.67	0.59	19.04	0.11
Financial Cost	(423.53)	(3.55)	(487.41)	(4.17)	(660.07)	(3.76)
Reverse loss from impairment according to Financial Reporting Standard No. 9	-	-	-	-	(14.76)	(0.08)
Share of profit from investment in an associate	5.07	0.04	3.25	0.03	1.48	0.01
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE	707.51	5.93	402.97	3.45	2,037.53	11.61
Income tax expense	(182.34)	(1.53)	(145.37)	(1.24)	(418.78)	(2.39)
Profit (loss) for the years form continued operations	525.17	4.40	257.60	2.19	1,618.74	9.23
Loss for the years from discontinued operations	-	-	(15.78)	(0.13)	-	-
NET PROFIT (LOSS) FOR THE YEARS	525.17	4.40	241.82	2.07	1,618.74	9.23

Statement of cash flows

The Company's statement of cash flows refers to the data from the financial statements as follows:

1. Cash flows data of the company for the financial status for the year ended December 31, 2018 refers to the data from the audited consolidated financial statements in the audit version of Team A Holding 2 Company Limited ("TAH2") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited which are prepared according to the Financial Reporting Standards for Public Interests

2. Cash flows data of the company for the financial status for the year ended December 31, 2019 refers to the data from the audited consolidated financial statements in the audit version of Stark Corporation Public Company Limited (the Company) ("STARK") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited and Adisorn Songkla Profesional Company Limited which are prepared according to the Financial Reporting Standards

3. Cash flows data of the company for the financial status for the year ended December 31, 2020 refers to the data from the audited consolidated financial statements of Stark Corporation Public Company Limited (the Company) ("STARK") and its subsidiaries, namely Phelps Dodge International (Thailand) Limited, PDTL Trading Company Limited, Adisorn Songkla Company Limited, ADS Logistics Company Limited, Adisorn Songkla International Company Limited, Adisorn Songkla Marine Company Limited, Adisorn Songkla Profesional Company Limited, PD CABLE (SG) PTE. LTD. ("PD Cable"), Tinh Phat Cables Joint Stock ("TPC"), Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ("DVN"), NMN Holding 2 Company Limited and Thai Cable International Company Limited ("TCI") which are prepared according to the Financial Reporting Standards

STATEMENT OF CASH FLOWS (UNIT: MB)	As at		
	December 31, 2018 ¹ (Restated)	December 31, 2019 ¹ (Audited)	December 31, 2020 ² (Audited)
CASH FLOWS FROM OPERATION ACTIVITIES			
Profit (loss) before income tax expense	707.51	387.19	2,037.53
Adjustment for:			
Depreciation	171.46	185.76	349.78
Royalty Amortization	-	-	0.24
Amortization of intangible assets	6.96	7.01	7.41
Loss (gain) on sales of property, plant and equipment	(1.45)	2.11	(1.54)
Loss from written-off equipment	1.89	4.05	11.38
Cost of Acquisition of Listed Company Status	-	162.45	-
Share of profit from investment in an associate	(5.07)	(3.25)	(1.48)
Reversing expected credit losses	-	-	(14.76)
Allowance for doubtful accounts (reversal)	17.40	(12.63)	-
Loss on slow-moving inventories (reversal)	(4.78)	(5.48)	(0.43)
(Profit) Unrealized gain from foreign exchange rate	(7.28)	(35.54)	(253.65)
Unrealized loss on derivatives	-	-	146.66

¹ Operation of the company as the end of the December 31 December, 2018 and the end of the December 31 December 2019, which combined ADS and subsidiaries (ADS Group). Financial statement of ADS Group as of the end December, 31 2018 prepared by the management of the company which has been certified by a certified public accountant.

²The Company's Control TPC and DVN as wire and cable Vietnam since 31, March 2020 and TCI as wire and cable small business, thus income statement of the company at the end December 31, 2020 will show operation result since March 1, 2020 to 31 December 2020 (9 Months).

STATEMENT OF CASH FLOWS (UNIT: MB)	As at		
	December 31, 2018 ¹ (Restated)	December 31, 2019 ¹ (Audited)	December 31, 2020 ² (Audited)
Unrealized gain from interest rate swap agreement for hedging purpose	(4.24)	(2.04)	-
Employee benefit expenses (reversed)	35.33	56.51	28.12
Interest income	(71.14)	(68.67)	(19.04)
Interest expense	423.53	489.91	660.07
Profit from operation before changing assets and operating liabilities	1,270.10	1,167.37	2,950.30
(Increase) decrease in operating assets			
Other current financial assets	-	-	(58.46)
Trade and other current payables	(994.62)	1,463.40	(1,809.82)
Deferred cost of services	2.78	3.38	(0.18)
Inventories	(641.09)	(307.21)	(2,202.94)
Current tax assets	(16.94)	17.10	1.54
Other current assets	(24.57)	(32.21)	15.46
Other non-current assets	0.60	(2.03)	(6.40)
Increase (decrease) in operating liabilities			
Trade and other current payables	1,434.21	(1,480.31)	5,100.05
Other current liabilities	20.67	(13.12)	11.94
Other non-current liabilities	(2.18)	(2.04)	3.73

STATEMENT OF CASH FLOWS (UNIT: MB)	As at		
	December 31, 2018 ¹ (Restated)	December 31, 2019 ¹ (Audited)	December 31, 2020 ² (Audited)
Cash generated from (paid in) from operations	1,048.96	814.32	3,924.20
Cash paid for employee benefit obligations	(12.41)	(18.77)	(12.62)
Cash received from interest income	20.04	12.03	10.29
Cash received from interest expenses	(362.42)	(572.29)	(670.58)
Cash paid for income tax	(149.53)	(131.48)	(247.74)
Net cash provided by (used in) operating activities	544.63	103.81	3,003.56
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for investment in a subsidiary	-	-	(6,526.23)
Cash received from subsidiaries purchasing	-	-	246.28
Cash received from subsidiaries investment	-	350.00	-
Decrease in deposit at bank used as collateral	-	-	62.97
Decrease (increase) in deposit at bank used as collateral	(0.01)	11.99	73.78
Cash received from short-term loans to a related company	115.95	-	-
Cash received from long-term loans to a related companies	50.00	1,103.05	51.29
Dividend received from an associate	2.50	3.75	2.50
Cash paid for business combination under common control	-	(1,550.00)	-
Cash paid for short-term loans to related companies	-	(30.00)	(92.09)
Cash paid for long-term loans to related companies	(211.40)	(33.00)	(31.29)
Cash paid for purchase of investment in subsidiaries	(399.47)	-	-

STATEMENT OF CASH FLOWS (UNIT: MB)	As at		
	December 31, 2018 ¹ (Restated)	December 31, 2019 ¹ (Audited)	December 31, 2020 ² (Audited)
Cash received from sale of land, building and equipment	1.57	2.20	0.95
Cash paid for investment properties	(0.01)	-	-
Cash paid for purchase of property, plant and equipment	(352.09)	(390.58)	(195.11)
Cash paid for intangible assets	(0.05)	(0.40)	(0.19)
Cash paid in advance for purchases of fixed assets	(23.95)	(87.14)	(124.67)
Net cash provided by (used in) investing activities	(816.94)	(620.13)	(6,531.81)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from business combination under reverse acquisition	-	400.01	-
Cash received from increase in share capital	-	1,322.93	-
Cash received (repaid) from bank overdraft and short-term borrowing from financial institutions - net	-	1,083.49	2,636.56
Cash received from short-term borrowing from a financial institution	414.86	-	-
Cash received from short-term borrowings from a related person	145.00	-	10.00
Cash received from other short-term borrowings	-	124.60	(229.84)
Cash received from long-term borrowing from financial institutions	318.51	68.00	1,969.11
Cash received from other long-term borrowing	185.00	160.00	215.00
Cash received from increase in share capital of a subsidiary	2.55	0.00	0.00
Cash repaid for short-term borrowing from a related person	-	(145.00)	(480.21)
Cash repaid for short-term borrowings from related companies	(100.00)	(299.33)	28.00

STATEMENT OF CASH FLOWS (UNIT: MB)	As at		
	December 31, 2018 ¹ (Restated)	December 31, 2019 ¹ (Audited)	December 31, 2020 ² (Audited)
Cash repaid for other short-term borrowings	(109.50)	-	-
Cash repaid for long-term borrowing from financial institutions	(492.22)	(1,375.34)	(628.92)
Cash repaid for liability under finance lease agreement	(16.26)	(17.00)	(61.86)
Cash repaid for other long-term borrowing	-	(30.00)	(185.00)
Dividends paid to non-controlling interests	(20.76)	-	-
Net cash provided by (used in) financing activities	327.17	1,292.36	3,272.85
Net increase in cash and cash equivalents	54.86	776.04	(255.40)
Cash and cash equivalents as at January 1,	600.24	655.11	1,431.14
Effect of residual foreign exchange rate as at December 31,	-	-	(19.71)
Cash and cash equivalents as at December 31,	655.11	1,431.14	1,156.03

13.3 Significant Financial Ratio

Significant financial ratio is analyzed based on the data regarding the Company's financial status and turnover according to the aforementioned financial information of which the details are as follows:

	Unit	As at		
		December, 31 2018	December, 31 2019	December, 31 2020
Liquidity Ratio				
Liquidity Ratio	Time	0.83	1.07	0.83
Quick Liquidity Ratio	Time	0.51	0.60	0.39
Cash Flow Liquidity Ratio	Time	0.08	0.08	0.22
Account Receivables Turnover Ratio	Time	2.41	3.33	4.13
Average Collection Period	Day	149.34	108.19	87.14
Account Payables Turnover Ratio	Time	1.60	2.11	1.98
Debt Repayment Period	Day	224.88	170.60	181.74
Inventory Turnover Ratio	Time	3.01	2.53	2.25
Product Sale Period	Day	119.54	142.10	160.11
Cash Cycle	Day	44.00	79.69	65.51
Profitability Ratio				
Gross Profit Margin	%	12.56	12.37	17.73
Operating Profit Margin	%	8.21	7.10	15.79
Other Profit Margin	%	1.27	1.96	4.18
Cash to Profitability Ratio	%	93.23	82.58	112.82
Net Profit Margin	%	4.37	2.06	9.23
Return on Equity Ratio	%	29.71	11.71	43.65
Efficiency Ratio				
Return on Assets	%	4.10	1.83	8.10
Return on Fixed Assets	%	27.17	15.40	54.53
Fixed Assets Turnover		0.94	0.89	0.62

	Unit	As at		
		December, 31 2018	December, 31 2019	December, 31 2020
Financial Policy Ratio				
Debt to Equity Ratio	Time	6.58	4.47	6.26
Interest Coverage Ratio ¹	Time	2.12	1.40	4.09
Interest Bearing Debt to Equity Ratio ²	Time	5.27	6.56	6.11
Obligation capacity ratio ¹	Time	2.05	1.44	0.20
Dividend Payout Ratio	%	-	-	-

¹ It is in the case that the calculation is based on the calculation formula of the Office of the SEC.

² In case of calculating according to the formula of loan agreement from financial institution which is using the financial information from the financial statements of Phelps Dodge International (Thailand) Co., Ltd because it is a company that has to maintain financial ratios as stipulated by the loan agreement.

14. Analysis and Explanation of Management Department

14.1 Past Performance Overview of STARK and its Affiliates

Stark Corporation Public Company Limited ("STARK") is the holding company which mainly holds the shares in (1) Phelps Dodge International (Thailand) Limited which operates the main business of the production and distribution of electric wire and cable with 2 types of metal conductor, including copper and aluminum; (2) Adisorn Songkhla Company Limited which operates the main business in provision of human resource service, repair and maintenance service, and warehouse leasing service. (3) Tinh Phat Cables Joint Stock ("TPC") which operates the main business of the production and distribution of electric wire and cable with 2 types of metal conductor, including copper and aluminum (4) Dong Viet Non-Ferrous Metal and Plastic Joint Stock Company ("DVN") which operates the main business of the production and distribution of electric wire and cable with 2 types of metal conductor, including copper and aluminum (5) Thai Cables International Company Limited which operates the main business of the production and distribution of electric wire and cable with 2 types of metal conductor, including copper and aluminum which STARK's main income is from sales revenue. Representing 86.82 percent and 85.90 percent of total revenues in 2019 to 2020, respectively.

STARK's total income for the fiscal year ended December 31, 2020 was 17,543.98 million baht, increased 5,852.97 million baht from the same period of the year 2019 at 11,691.01 million baht or 50.06 percent, principally due to the STARK recognition performance of TPC and DVN which were the wire and cable business in Vietnam from March 31, 2020, and TCI, which is a small wire and cable business in Thailand from April 1, 2020. Therefore, the Company's income statement for the year ended December 31, 2020 presented

the operating performance of the mentioned company from 1 April 2020 to 31 December 2020 (9 months in total)

Net profit of STARK for the fiscal year ended December 31, 2020 was 1,618.74 million baht, increased 1,198.69 million baht from the same period of 2019 or equal to 285.37 percent, principally due to the STARK recognition performance of TPC and DVN which were the wire and cable business in Vietnam from March 31, 2020, and TCI, which is a small wire and cable business in Thailand from April 1, 2020 and a focus on product lines that have high margin product, especially the medium-to-high-voltage cable with high growth to support various projects of the public and private sectors.

Statement of financial position	As at					
	December 31 2019		December 31 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Revenue for sales and rendering services	11,528.85	100.00	16,858.04	100.00	5,329.19	46.22
Costs of sales and rendering services	(10,102.65)	(87.63)	(13,869.41)	(82.27)	3,766.76	37.28
Gross profit	1,426.20	12.37	2,988.63	17.73	1,562.43	109.55
Loss before finance cost and income tax	980.91	8.51	2,662.32	15.79	1,681.41	171.41
Net profit combined financial statement of STARK	420.05	3.64	1,618.74	9.60	1,198.69	285.37
Reverse cost of business combination	(162.45)	(1.41)	-	-	(162.45)	100.00
Loss for the year from the discontinued operations	(15.78)	(0.41)	-	-	(15.78)	100.00
Net profit according to consolidated financial statements reverse business	241.82	2.10	1,618.74	9.60	1,376.92	569.40

14.2 Performance Analysis

Explanation of performance is to explain significant changes in Stark's financial statements by referring to the data regarding consolidated financial statements for the fiscal year ended December 31, 2019 and December 31, 2020 of which reliability has been granted by the Certified Public Accountant by having the following.

Currently, Stark's revenue can be categorized into 4 main groups as follows:

1. Sales revenue is calculated as the approximate proportion of 86.82 to 85.90 percent of the total sale revenue in the operational period from 2019 to 2020
2. Service revenue occurred from the service of human resource service and High Voltage Mobile Testing Unit, where the service revenue is calculated as the approximate proportion of 11.38 to 9.94 percent of the total sales revenue in the operational period from 2019 to 2020

3. Lease revenue occurred from Adisorn Songkhla Company Limited's business of warehouse leasing service, which is calculated as the proportion of 0.42 to 0.24 percent of the total sales revenue in the operational period from 2019 to 2020
4. Other revenues include the profit from foreign currency exchange rate, interest received and other revenues that did not occur from the main business operation of the Company, which is calculated as the approximate proportion of 1.39 to 3.91 percent of the total sales revenue in the operational period from 2019 to 2020

Statement of financial position	As at					
	December 31 2019		December 31 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Revenue for sales	10,149.58	8682.	15,070.71	85.90	4,912.12	48.49
Revenue from rendering services	1,330.57	11.38	1,744.51	9.94	413.94	31.11
Rental income	48.70	0.42	42.82	0.24	(5.88)	(12.07)
Other income	162.15	1.39	685.94	3.91	523.79	323.03
Total Revenues	11,691.01	100.00	17,543.98	100.00	5,852.97	50.06

14.2.1 Sales revenue

Sale revenue of STARK from 2018 to 2020 was 10,420.00 millions bath 10,149.58 millions bath and 15,070.71 millions bath, respectively which was occurred from operations business in the geographic area both in Thailand and outside Thailand with details as follows:

Statement of financial position	As at					
	December 31 2018		December 31 2019		December 31 2020	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Electrical wire revenue of companies inside Thailand	10,420.00	100.00	10,149.58	100.00	9,730.18	64.56
Electrical wire revenue of companies outside Thailand	-	-	-	-	5,340.53	35.44
Total Revenues for sales	10,420.00	100.00	10,149.58	100.00	15,070.71	100.00

14.2.2 Cost of Sales

Cost of sales of STARK comprises the cost of metals which includes copper and aluminum which is the main raw material in the electric cables manufacturing, cost of insulation and other raw materials, costs associated with production labor and other costs associated with production. The cost of sales in the year 2018 to 2020 is 9,142.20 million baht, 8,905.14 million baht and 12,439.75 million baht, respectively, with the following proportion as below:

Statement of financial position	As at					
	December 31 2018		December 31 2019		December 31 2020	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Cost of sales of companies inside Thailand	9,142.20	100.00	8,905.14	100.00	7,747.52	62.28
Cost of sales of companies outside Thailand	-	-	-	-	4,692.23	37.72
Total cost of sales	9,142.20	100.00	8,905.14	100.00	12,439.75	100.00

In 2020, cost of sales of STARK had increased 3,534.61 million baht or 39.69% from 2019, which recognized the operating performance of investments in Vietnam and TCI from April 1, 2020. In addition, the company has a policy of producing business synergies after investing in Vietnam such as consolidation of orders for raw materials, exchange of knowledge and development techniques, improving the production process to have lower costs and having higher efficiency especially reducing the loss rate in the production process (scrap rate), etc. And adjustments according to the strategy to focus on the high margin product group by reducing sales of low margin products (Low margin product) such as raw materials and focus on products with a high margin (High margin product) especially the medium-to-high-voltage power cable group with high growth to support various projects of the public and private sectors.

14.2.3 Service Revenue

The total service revenue for the year ended December 31, 2020 was equivalent to 1,744.51 million baht which consists of service revenue relating to human resource in the amount of 1,530.69 million baht or 87.74 percent of the total service revenue in 2020, other service revenues relating to petroleum business in the amount of 129.15 million baht or 7.40 percent of the total service revenue in 2020, and revenue from the High Voltage Mobile Testing Unit in the amount of 84.67 million baht or 4.85 percent of the total service revenue in 2020. Accordingly, the Company's main revenue is mostly obtained from the service revenue relating to human resource

Statement of financial position	As at					
	December 31 2019		December 31 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Revenue of manpower services	1,238.55	93.08	1,530.69	87.74	292.13	23.59
Revenue for other service related to petroleum business	83.45	6.27	129.15	7.40	45.70	54.76
Revenue for High Voltage Mobile Testing Unit	8.56	0.64	84.67	4.85	76.11	889.14
Total Revenue	1,330.57	100.00	1,744.51	100.00	413.94	31.11

14.2.4 Lease Revenue

The total lease revenue for the year ended December 31, 2020 was equivalent to 42.82 million baht which consists of revenue from the rent of real estate for investment in the amount of 13.44 million Baht or 31.39 percent of the lease revenue in 2020, revenue from the rent of real estate in the amount of 22.72 million baht or 53.06 percent of the lease revenue in 2020, and revenue from the rent of equipment in the amount of 6.67 million baht or 15.58 percent of the lease revenue in 2020. Accordingly, the Company's main revenue is mostly obtained revenue from the rent of real estate, and it decreased since the customers requested for reduction of service fee and cancellation of lease space, and invested in sub-lease space instead.

Statement of financial position	As at					
	December 31 2019		December 31 2020		Increased (Decreased)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Revenue rental property investment	16.88	34.67	13.44	31.39	(3.44)	(20.38)
Revenue rental property	24.82	50.97	22.72	53.06	(2.11)	(8.50)
Revenue rental equipment	7.00	14.36	6.67	15.58	(0.33)	(4.71)
Total Revenue	48.70	100.00	42.82	100.00	(5.88)	(12.07)

14.2.5 Profit from Foreign Currency Exchange Rate

Since STARK uses metal in the type of copper and aluminum as the main raw material in the electric wire production which has a high price and must be imported, STARK has the risk from exchange rate fluctuations due to the import of such type of raw material. Notwithstanding, STARK has determined the product sale price to be in line with the cost of its metal. Additionally, STARK has the revenue from sales of foreign currency products increased in 2020. STARK therefore has the prevention and reduction of the risk from additional profit from exchange rate fluctuations by using the financial instrument in the type of forward contract.

And in 2020, STARK has additional foreign exchange gains borrowing from financial institutions to invest in Vietnam from April 1, 2020 in the period of year 2018 to 2020 STARK had foreign exchange gains from risk management of such risk equal to 72.11 million baht, 151.97 million baht and 645.33 million baht, respectively.

14.2.6 Financial Income (Interest Received)

Interest received in the period from 2017 to 2020 was equivalent to 71.14 million baht, 68.87 million baht and 19.04 million baht respectively, which was mostly obtained from short and long-term loans to the related companies, which is deemed to provide financial assistance as capital for business expansion and working capital. In addition, the interest rate is determined by referring to the lending rate of the financial institution. In December 2019, Adisorn Songkhla Company Limited changed from long-term lending to related

companies to long-term loans to STARK, resulting in the interest income being eliminated from the consolidated financial statements which made the amount of interest income decreases in 2020.

14.2.7 Other Revenues

STARK's other revenues are the revenue that is not obtained from its main business operation, which is calculated as the proportion of 0.08 to 0.23 percent for the operational period from 2017 to 2020, and has a value equivalent to 9.77 million baht, 10.19 million baht and 40.61 million baht, respectively. The other income that has been increased in 2020 is due to STARK's management fee charged to related companies in November-December.

14.2.8 Gross Profit

Gross profit in the period from 2019 to 2020 was equivalent to 1,420.20 million baht and 2,988.63 million baht, respectively, and calculated as the gross profit rate equivalent to 12.37 percent and 17.73 percent, respectively

In the period of 2020, STARK had gross profit which was reduced by 1,562.43 million baht or calculated as 109.55 percent from the period of 2018, principally due to recognition of business performance of investments in Viet Nam and TCI from 1st April 2020 and from strategies to focus on high margin products, especially medium to extra high voltage cables with high growth to support various projects of the public and private sectors. In addition, STARK has continuously implemented a plan to reduce costs and expenses (Lean management).

14.2.9 Cost for Distribution and Administrative Expense

Cost for distribution and administrative expense in the period from 2017 to 2020 was equivalent to 516.40 million baht, 607.44 million baht and 865.59 million baht, respectively. The details of the administrative expense can be concluded as follows:

Statement of financial position	As at					
	December 31 2019		December 31 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Companies inside of Thailand						
Distribution Cost	258.80	42.61	277.32	32.04	18.52	7.16
Management Expenses	348.64	57.39	346.90	40.08	(1.74)	(0.50)
Total of distribution cost and management expenses	607.44	100.00	624.22	72.11	16.78	2.76
Companies outside of Thailand						
Distribution Cost	-	-	150.02	17.33	150.02	100.00

Statement of financial position	As at					
	December 31 2019		December 31 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Management Expenses	-	-	91.35	10.55	91.35	100.00
Total of distribution cost and management expenses	-	-	241.37	27.89	241.37	100.00
Total of distribution cost and management expenses	607.44	100.00	865.59	100.00	258.15	42.50

Distribution costs and administrative expenses in 2020 increased by 258.15 million baht or 42.50 percent from the same period of 2019. This was principally due to the performance of investments in Vietnam and TCI recognized as of April 1, 2020, but compared with domestic conglomerates, the distribution costs and administrative expenses in 2020 decreased 1.74 million baht or equivalent to 0.50 percent in the year 2019. There are various expenses from restructuring such as financial advisor fee, legal advisory fee, etc., amounted to approximately 62.50 million baht, which is a one-time expense from this restructuring only.

14.2.10 Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the period from 2017 to 2020 was equivalent to 1,245.59 million baht and 3,055.03 million baht, which are calculated as 10.61 percent and 17.41 percent of the total STARK's revenue.

For 2020, STARK's EBITDA increased from 2019, principally due to recognition of business performance of investments in Viet Nam and TCI from 1st April 2020 and from strategies to focus on high margin products, especially medium to extra high voltage cables with high growth to support various projects of the public and private sectors. In addition, STARK has continuously implemented a plan to reduce costs and expenses (Lean management).

14.2.11 Financial Cost

STARK's financial cost includes the financial cost from short and long-term loan, the financial cost under financial lease, and the financial cost arising from the purchase of raw materials in the type of metals under the purchase agreement with partners, of which the term of debt repayment is determined at 270 days. In addition, the interest is calculated at the agreed rate which is normal trade terms with the partners in the industry, where in the period from 2019 to 2020, such interest was equivalent to 487.41 million baht and 660.07 million baht and calculated as 4.17 percent and 3.76 percent of STARK's total revenue, respectively

Financial costs in 2020 decreased by 172.66 million baht or 35.42 percent from the same period of 2019. This was mainly due to the reduction of the monetary policy interest rate in the highly volatile and uncertain world following the COVID-19 outbreak of the Monetary Policy Committee (MPC).

14.2.12 Income Tax Expense

Income tax expense in the period from 2019 to 2020 was equivalent to 145.37 million baht and 418.78 million baht, respectively, which increased by 273.42 million baht or calculated as 188.09 percent from the same period of 2019. In this regard, it was calculated as the actual tax payment rate at 36.07 percent and 20.55 percent of the profit before income tax expenses, respectively, due to the expense list relating to the added-back tax and deferred added-back income tax

14.2.13 Cost of Reverse Takeover

Upon the completion of business combination between TAH2 and Siam Inter Multimedia Public Company Limited ("SMM") and operation according to the restruction plan, TAH2 will be the major shareholder which holds SMM's shares in the proportion of 94.20 percent of the issued and paid-up capital and has control power over SMM. Therefore, this business combination is considered as a reverse takeover. However, after the business combination, STARK will have the cost of reverse takeover which is a single expense on the date of business combination, STARK will have the cost of reverse takeover which is a single expense on the date of business combination in the amount of 162.45 million baht in 2019. According to the Financial Reporting Standards No.3, the consideration of this business combination has the objectives to purchase the listing status. Hence, the dufference between the fair value of the transferred return and the net assets of SMM is regarded as an expense from STARK's purchase of listing status, which can be calculated as follows:

Statement of financial position	UNIT: MB
The fair value of the transferred return ⁾⁽¹	472.31
Assets (SMM)	
Cash ans cash equivalents	400.01
Trade and other current receivables	7.01
Currents Tax	1.92
Other current assets	0.15
Cash at bank pledged as collateral	12.00
Other non-current assets	0.19
Asset groups held for sale - net	350.00
Bank overdraft and short-term borrowings from financial institutions	(167.77)
Trade and other current payables	(7.78)

Statement of financial position	UNIT: MB
Other short-term borrowings	(22.40)
Current portion of long-term borrowings from financial institutions 1 year	(39.70)
Other current liabilities	(0.73)
Long-term borrowings from financial institutions	(233.40)
Expenses for acquire Listed company	162.45

- Remark :
- (1) The calculation is based on the number of TAH2's shares to be issued in the case that it shall be issued to make SMM's shareholders have an interest in the business arising from the combination in the same proportion as the interest as a result of reverse takeover. In this regard, the fair value of TAH2 is determined to be equivalent to 10,258.42 million baht as referred to the fair value estimation from the report of independent financial consultant which is prepared by Advance Capital Services Company Limited. According to such report, it provides the opinion towards the shareholders regarding the transactions pursuant to SMM's restructuring plan on March 25, 2019.
 - (2) The calculation is based on the net assets value of SMM after selling the investment in the subsidiary for accepting the transfer of the existing business and the issuance of capital increase shares pursuant to SMM's restructuring plan.

14.2.11 Net Profit from Consolidated Financial Statements

Net profit from the consolidated financial statements for the year 2019 to 2020 was 241.82 million baht and 1,618.74 million baht, accounting for 2.07 percent and 9.23 percent of total income, respectively. This was principally due to recognition of business performance of investments in Viet Nam and TCI from 1st April 2020 and from strategies to focus on high margin products, especially medium to extra high voltage cables with high growth to support various projects of the public and private sectors. In addition, STARK has continuously implemented a plan to reduce costs and expenses (Lean management).

According to the case of STARK's business combination, STARK therefore had the cost of reverse takeover which is a single expense on the date of business combination in the amount of 162.45 million baht. In this regard, it is recorded as a cost in the profit and loss statement in 2019 and loss for the year as a result of cancelled operation in the amount of 15.78 million baht. Thus, STARK's net profit for 2019 was reduced from 178.23 million baht.

This reverse takeover transaction of STARK also leads to a single expense which is not related to its normal operation in the amount of 62.50 million baht. Such expense was fully paid in 2019, including the expense of financial consultant's fee, internal control system examination fee, and other expenses relating to such transaction. However, if normalized net profit is considered by adding back the single expense as mentioned above, STARK will have the net profit for the year ended December 31, 2019 in the amount of 482.55 million baht, for which the net profit rate is calculated as 4.10 percent.

14.3 Financial Status

Explanation of the financial status is to explain the significant changes by referring to the data from STARK's consolidated financial statements in the audit version as of December 31, 2020 for the data regarding the financial status as of December 31, 2019 and December 31, 2020 by having the following details

14.3.1 Assets

Total assets at the end of period from 2019 to 2020 was equivalent to 12,654.69 million baht and 27,316.49 million baht, respectively. In this regard, the main assets consist of trade receivables and other current receivables, inventory, land, building, equipment and goodwill, which is calculated as 84.02 to 91.23 percent of the total assets at the end of period.

Total assets as of December 31, 2019 decreased by 1,125.93 million baht or equivalent to 8.17 percent from as of 31 December 2018, principally due to the decreasing in long-term loans to related companies 1,070.05 million baht or 94.41 percent from 31 December 2018.

Total assets as of December 31, 2020, increased by 14,661.80 million baht or 115.86% from as of December 31, 2019, mainly due to the investment in TPC, DVN and TCI from April 1, 2020.

14.3.2 Current Assets

Cash and Cash Equivalents

Cash and cash equivalents at the end of period from 2018 to 2019 was equivalent to 1,431.14 million Baht and 1,156.03 million baht, respectively.

Cash and cash equivalents as of December 31, 2019 decreased by 275.11 million Baht or calculated as 19.22 percent from the date as of December 31, 2018, principally due to the acquired in TPC & DVN as a wire & cable in Vietnam since March, 31 2020 and TCI as a wire cable small business in Thailand since April 1, 2020 and receipt of long-term loans to the connected companies and another part from STARK's cash balance. Therefore,

Trade Receivables and Other Current Receivables

Trade receivables and other current receivables at the end of period from 2018 to 2019 was equivalent to 3,464.59 million baht, 6,041.75 million baht, respectively, consisting of trade receivables, other current receivables, accrued interest, prepaid expense, and etc., which can be concluded as follows:

Statement of financial position	As at					
	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Trade receivables						

Statement of financial position	As at					
	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Trade receivables – related companies	13.99	0.40	23.89	0.40	9.90	70.76
Trade receivables –other companies	3,134.07	90.46	4,988.75	82.57	1,854.67	59.18
Less the allowance for the expected credit loss. (Year :2019Allowance for doubtful accounts)	(378.86)	(10.94)	(469.59)	(7.77)	(90.72)	23.95
Total Trade receivables	2,769.20	79.93	4,543.05	75.19	1,773.85	64.06
Other current receivables						
Other current receivables – other companies	261.12	7.54	276.30	4.57	15.18	5.82
Other current receivables	95.18	2.75	408.18	6.76	313.00	328.85
Interest current receivables	0.44	0.01	0.29	0.01	(0.15)	(34.09)
Prepaid expenses	72.81	2.10	226.58	3.75	153.77	211.19
Accrued income	265.84	7.67	587.35	9.72	321.51	120.94
Total Trade receivables and other current receivables	3,464.59	100.00	6,041.75	100.00	2,577.16	74.39

Net trade receivables as of December 31, 2020 increased by 2,577.16 million baht or calculated as 74.39 percent from the date as of December 31, 2019 principally due to the growth of the Company's income and operating results including investment in TPC and DVN which is a wire and cable business in Vietnam From March 31, 2020and TCI which is a small wire and cable business in Thailand from April 1, 2020

STARK has set up the allowance for doubtful accounts at the end of period from 2019 to 2020 which was equivalent to 378.86 million baht and 469.59 million baht, respectively. In 2019, the setting up of the allowance for doubtful accounts will be estimated by considering the status of each receivable who is expected to be unable to demand for payment which based on STARK's debt collection experience but in 2020, the Financial Reporting Standard No. 9 was adopted for the first time and as a result, the allowance for doubtful accounts has increased by 90.72 million baht or 23.95 percent from 31 December 2019.

Notwithstanding, the net trade receivables can be categorized by the overdue period as of December 31, 2019 and December 31, 2020 as follows:

Statement of financial position	As at					
	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Not overdue date payment	2,289.26	72.72	4,215.38	92.79	1,926.12	84.14
Less than or equal to 3 months	376.47	11.96	381.57	7.61	5.10	1.35
Over 3 months up to 6 months	102.14	3.24	25.06	0.50	(77.08)	(77.47)

Statement of financial position	As at					
	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Over 6 months up to 12 months	7.11	0.23	18.64	0.37	11.53	162.17
Over 12 months	373.09	11.85	371.99	7.42	(1.10)	(0.29)
Total trade accounts receivable	3,148.07	100.00	5,012.64	100.00	1,864.57	59.23
<u>Less</u> Allowance for doubtful accounts	(378.86)	(12.03)	(569.59)	(9.37)	(190.72)	23.95
Trade receivables	2,769.20	87.97	4,543.05	90.63	1,773.85	64.06

Trade and other current receivables / accrued interest receivables - related companies consist of trade receivables from steel sales, copper and other current receivables from the sale of scrap electrical cables and other materials, management fee and outstanding rental items, etc. Therefore, please consider additional details in the section on connected transactions.

Other current receivables increased 313.00 million baht or 328.85 percent from 31 December 2019. This was caused by an increasing in other current receivables and the upfront costs related to the taxes paid from the increase in sales revenue and STARK's performance in 2020.

Advance expenses increased 153.77 million baht or 211.19 percent from 31 December 2019. This was caused by an increase in the prepaid borrowing fees from financial institutions using to invest in TPC and DVN which were a wire and cable business in Vietnam from March 31, 2020 and TCI which were a small wire and cable business in Thailand from 1 April 2020 of STARK for 2020.

2563 Accrued income increased 321.51 million baht or 120.94 percent from 31 December 2019 was caused by an increasing of the income from services and from ADS performance in 2020.

Inventory

STARK's inventory at the end of period from 2019 to 2020 was equivalent to 3,671.42 million baht and 8,618.00 million baht, respectively. Each type of the inventory can be concluded as follows:

Statement of financial position	As at					
	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Raw material	1,152.87	31.20	1,356.59	15.70	203.72	17.67
Work in process	842.20	22.79	2,248.44	26.02	1,406.24	166.97
Finished goods	1,496.46	40.50	3,346.92	38.73	1,850.46	123.66
Spare parts and factory supplies	92.97	2.52	119.32	1.38	26.35	28.34

Statement of financial position	As at					
	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Finished goods in transit	18.13	0.49	38.30	0.44	20.17	111.25
Material and spare parts in transit	92.61	2.51	1,531.83	17.73	1,439.22	1,554.07
Total	3,695.24	100.00	8,641.40	100.00	4,946.16	133.85
<u>Less</u> Allowance for losses on slow-moving inventories	(23.82)	(0.64)	(24.40)	(0.27)	0.43	(1.81)
Total Inventories	3,671.42	99.36	8,618.00	99.73	4,946.59	134.73

The inventory as of December 31, 2020 increased by 4,946.59 million baht or calculated as 134.73 percent from the date as of December 31, 2019, principally due to an increase of the raw materials, work in process, finished goods and spare parts along the way that STARK had ordered to support the production pursuant to its sales plan and production to occur in the future of STARK and investment in TPC and DVN, a wire and cable business in Vietnam from March 31, 2020 and TCI, a small wire and cable business in Thailand, from 1 April 2020.

STARK has set up the allowance for loss from the inventory for old, out-of-date, lagged and deteriorated product. At the end of period from 2019 to 2020, such allowance for loss from the inventory was equivalent to 23.82 million baht and 23.40 million baht, respectively.

Other Current Assets

STARK has short-term and long-term loans to its related companies which is providing financial assistance for finance business expansion and working capital to related companies. The outstanding loan balance at the end of the year 2019 to 2020 is 93.37 million baht and 252.29 million baht, respectively. The loans to related companies are in the form of promissory notes and it is due for repayment on demand and the interest rate is determined based on the borrowing costs of the company as of the lending date. (Please study more details in the inter-transaction section)

Bank deposits with collateral

Letter of Credit (L/C) Current bank deposits with collateral as of December 31, 2020 has increased by 143.02 million baht. It was mainly due to the investment in TPC and DVN which is a wire and cable business in Vietnam from 31 March 2020 to use it as collateral for the bank to issue a letter of guarantee for entering into a Letter of Credit (L/C) contract.

Other Current Assets

Other current assets consist of pending value-added tax refund, value-added tax not yet due, and prepaid withholding tax at the end of period from 2019 to 2020 which was equivalent to 100.77 million Baht and 96.94 million baht, respectively.

14.3.3 Non-current Assets

Deposit in Financial Institutions with Guaranteed Liability

As of December 31, 2019 and December 31, 2020 STARK has a deposit in financial institution with guaranteed liability in the amount of 39.07 million baht and 2.09 million baht which is a savings bank deposit as security for the bank to issue STARK's Letter of Credit (L/C) in the amount of 37.00 million baht. (Please consider more details regarding the obligation and suretyship hereof.) which had already released the collateral in the fourth quarter of 2020.

Investment in Joint-stock Company

STARK's subsidiary has invested in Thai Copper Rod Company Limited ("TCR") in the total proportion of 25.00 percent (invested through PDITL in the proportion of 20.00 percent and PDL Trading in the proportion of 5.00 percent). In this regard, TCR conducts copper casting business and had investments at the end of period from 2019 to 2020 according to the equity method in such subsidiary which was equivalent to 64.70 million baht and 63.67 million baht, respectively. During 2019 to 2020, STARK received dividends from such subsidiary in the amount of 3.75 million baht and 2.50 million baht, respectively.

Investment property

Investment properties as of December 31, 2020, an increase of 64.94 million baht or 37.66 percent from 31 December 2019 which principally due to the Group renovating such investment property as of January 1, 2020 from the implementation of TFRS 16 from January 1, 2020.

Advance Payment for Purchase of Fixed Assets

STARK's advance payment for purchase of fixed assets is in accordance with the fixed assets investment, including machines for enhancement of production capacity to support the business growth in the future and other fixed assets for enhancement of performance efficiency and cost reduction of STARK in the future. At the end of period from 2019 to 2020, STARK had an advance payment for purchase of fixed assets equivalent to 83.27 million baht, 17.38 million baht and 83.27 million baht, respectively.

As of December 31, 2020 STARK had an advance payment for purchase of fixed asset equivalent to 17.38 million baht, which decreased by 65.89 million baht from the date as of December 31, 2019 due to

machine installation for enhancement of STARK production capacity in 2020 and there was no additional investment was made within in this year since has invested in TPC and DVN which is a wire and cable business in Vietnam From 31 March 2020

Land Building and Equipment

Building and Equipment as of December 31, 2018 to December 31, 2020 by 2,384.63 million baht, 2,603.58 million baht and 4,212.54 million baht as follows:

Statement of financial position	As at					
	December 31, 2018		December 31, 2019		December 31, 2020	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Land	549.25	23.03	627.04	24.08	699.04	16.59
Land improvement	25.92	1.09	25.49	0.98	22.66	0.54
Building improvement	244.90	10.27	307.22	11.80	712.44	16.91
Warehouse	42.91	1.80	39.39	1.51	35.75	0.85
Machinery and plant equipment	1,147.50	48.12	1,040.02	39.95	1,689.99	40.12
Vehicles	15.95	0.67	12.45	0.48	17.13	0.41
Furniture, fixtures and office equipment	9.25	0.39	11.63	0.45	27.62	0.66
Assets under installation	348.94	14.63	540.34	20.75	1,007.92	23.93
Total	2,384.63	100.00	2,603.58	100.00	4,212.55	100.00

Land, building and equipment as of December 31, 2019 and December 31, 2020 increased by 218.95 million baht and 1,608.96 million baht or calculated as 9.18 percent and 61.80 percent, respectively, principally due to investment in 2019 in machines to encourage the operation and support the business growth in the future, as well as the installation of solar cell panel to save energy and reduce expense of STARK in the long term. 2020 is due to the investment in TPC and DVN which is a wire and cable business in Vietnam from 31 March 2020 and TCI which is a small wire and cable business in Thailand from April 1, 2020.

Usage Asset Rights

Usage asset rights on December 31, 2020 increased by 273.27 million baht or 100.00 percent from 31 December 2019, principally due to the group of companies adopted TFRS 16 since January 1, 2020 which the cumulative effect of the adoption of the said financial reporting standard was applied as an adjustment to the beginning retained earnings and not to adjust the comparative data (Modified retrospective) which impacted of new financial reporting standards on lease liabilities as of January 1, 2020

Goodwill

STARK has goodwill which arose from the purchase of PDITL's shares from the existing shareholders on August 20, 2015 resulting in an increase of goodwill in the amount of 893.47 million baht and in 2020, STARK has invested in TPC and DVN which is a wire and cable business in Vietnam From 31 March 2020 and TCI which is a small wire and cable business in Thailand from April 1, 2020. As a result, the goodwill was amount of 4,424,23 million baht, amount of 583,30 million baht and amount of 159,62 million baht, respectively STARK has a policy to assess the impairment of goodwill annually, there was no indication of such goodwill was impaired as STARK has continued operating profit annually.

Other Intangible Assets

STARK's intangible assets include computer software which is installed by STARK during 2015 at the cost of 71.32 million baht. In addition, during 2017 to 2020, the distribution of intangible assets has been amortized in every year by means of straight-line method for a period of 3 – 5 years. Therefore, the net value of intangible assets at the end of period from 2017 to 2020 and as of December 31, 2020 was equivalent to 20.27 million baht, 13.66 million baht and 8.15 million baht, respectively.

Other Non-current Assets

Other non-current assets consist of fixed deposit for the equipment used in STARK's production process, such as nitrogen tank and etc., and input tax for the assets under financial lease, which are equivalent to 11.85 million baht, 14.08 million baht and 27.78 million baht, respectively, at the end of period from 2017 to 2020.

14.4 Source of Capital**14.4.1 Debt**

Total debt at the end of period from 2017 to 2020 was equivalent to 11,962.98 million baht, 10,341.33 million baht and 23,552.77 million baht, respectively. Most of the total debt included trade payables and other current payables, loans from financial institutions and connected companies and individuals, and etc.

Short-term Loan from Financial Institutions

Short-term loans from financial institutions at the end of period from 2017 to 2020 was equivalent to 471.30 million baht, 1,706.30 million baht and 7,107.24 million baht, respectively.

Short-term loans from financial institutions as of 31 December 2020 increased by 5,400.94 million baht or equivalent to 316.53 percent from 31 December 2019, principally due to the investment in TPC and DVN. Some of these loans are classified as short-term loans (approximately 6,000 million baht) since it was from bridging line for acquisitions only. After the completion of the bridging loan term, the Company is in the process of converting the said loan to Long Term Loan, such short-term loans from financial institutions were in the form of promissory note with lending rate, due date and various securities under conditions determined by the bank, of which the details can be indicated as follows:

Promissory note as of December 31, 2018

	Short-term borrowing (Unit: MB)	Due for repayment	Interest rate % per annum	Guaranteed/Collateral	Conditions of financial ratio
1.	200.00	March 1, 2019	MLR -1.25	-Land, buildings and machines - Shares of TAH 2 and a related company are held by a major shareholder company. - Guaranteed by a related company and a director of TAH.2	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times
2.	268.00	February 25 2019	4.25 -5.25	-Title deed of a subsidiary -Guaranteed by a major shareholder of a subsidiary	DSCR not lower than 1.10 times

Promissory notes as of 31 December 2019

	Short-term borrowing (Unit: MB)	Due for repayment	Interest rate % per annum	Guaranteed/Collateral	Conditions of financial ratio
1.	200.00	May 22, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary -Shares of 2 subsidiaries	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times
2.	200.00	April 30, 2020	4.5	- None	None
3.	160.00	March 18, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary -Shares of 2 subsidiaries	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times

	Short-term borrowing (Unit: MB)	Due for repayment	Interest rate % per annum	Guaranteed/Collateral	Conditions of financial ratio
4.	40.00	April 21, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary -Shares of 2 subsidiaries	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times
5.	124.53	March 25, 2020	MLR -1.25	- None	None
6.	37.61	May 20, 2020	MLR -1.25	- None	None
7.	122.30	April 17, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary -Shares of 2 subsidiaries	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times
8.	258.92	April 20, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary -Shares of 2 subsidiaries	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times
9.	40.41	April 27, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary -Shares of 2 subsidiaries	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times
10.	20.57	April 30, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary -Shares of 2 subsidiaries	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times
11.	40.86	April 30, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary - Shares of a subsidiary	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times

	Short-term borrowing (Unit: MB)	Due for repayment	Interest rate % per annum	Guaranteed/Collateral	Conditions of financial ratio
12.	16.94	May 7, 2020	MLR -1.25	-Land, buildings and machinery of a subsidiary - Shares of a subsidiary	IBD-to-Equity does not exceed 1.50 times. DSCR not lower than 1.10 times
13.	400.40	March 24,2020	3.50 -4.25	-Title deed of a subsidiary - Guaranteed by major shareholder of subsidiary	DSCR not lower than 1.10 times
14.	6.84	-	-	- None	None
15.	36.92	January 17,2020	MOR - 2.75	-A debtor of a subsidiary	None

Promissory notes as of 31 December 2020

	Short-term borrowing (Unit: MB)	Due for repayment	Interest rate % per annum	Guaranteed/Collateral	Conditions of financial ratio
1.	200.00	February 16, 2021 (renewal May 17, 2021)	MLR -1.25	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of 2 subsidiaries	IBD-to-Equity not exceed 1.50 DSCR not less 1.10
2.	200.00	January 25, 2021 (renewal April 23, 2021)	4.5	- None	No
3.	160.00	March 8, 2021	MLR -1.25	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of 2 subsidiaries	IBD-to-Equity not exceed 1.50 DSCR not less 1.10
4.	40.00	January 14,2021	MLR -1.25	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of 2 subsidiaries	IBD-to-Equity not exceed 1.50 DSCR not less 1.10
5.	494.61	March 23, 2021	MLR -1.50	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of 2 subsidiaries	IBD-to-Equity not exceed 10.75 DSCR not less 1.10

	Short-term borrowing (Unit: MB)	Due for repayment	Interest rate % per annum	Guaranteed/Collateral	Conditions of financial ratio
				- Guaranteed by the company's director	
6.	1,955.53	March 23, 2021	MLR -1.50	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of 2 subsidiaries - Guaranteed by the company's director	IBD-to-Equity not exceed 10.75 DSCR not less 1.10
7.	22.93	March 23, 2021	MLR -1.50	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of 2 subsidiaries - Guaranteed by the company's director	IBD-to-Equity not exceed 10.75 DSCR not less 1.10
8.	1,630.35	March 31, 2021	BIBOR+3.85	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of a subsidiary - Guaranteed by the company's director	IBD-to-Equity not exceed 10.75 DSCR not less 1.10
9.	989.23	March 31, 2021	MLR -1.50	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of a subsidiary	IBD-to-Equity not exceed 10.75 DSCR not less 1.10
10.	100.00	March 22, 2021	3.47 – 4.25	- A subsidiary's title deed	No
11.	68.00	March 22, 2021	4.47	- A subsidiary's title deed	No
12.	70.00	March 22, 2021	4.70	- A subsidiary's title deed	No
13.	30.00	March 22, 2021	4.70	- A subsidiary's title deed	No
14.	91.16	January 9, 2021	MLR-1.75	- A subsidiary's debtor	No
15.	23.78	January 19, 2021	5.50	- Bank deposit - Right to use in land	No
16.	1.86	January 20, 2021	5.50	- Bank deposit - Right to use in land and machinery	No
17.	1.53	January 21, 2021	5.50	- Bank deposit - Right to use in land and machinery	No
18.	18.61	January 22, 2021	5.50	- Bank deposit - Right to use in land and machinery	No

	Short-term borrowing (Unit: MB)	Due for repayment	Interest rate % per annum	Guaranteed/Collateral	Conditions of financial ratio
19.	7.73	January 29, 2021	5.50	- Bank deposit - Right to use in land and machinery	No
20.	5.76	February 4, 2021	5.50	- Bank deposit - Right to use in land and machinery	No
21.	4.14	February 5, 2021	5.50	- Bank deposit - Right to use in land and machinery	No
22.	866.99	May 23, 2021	3.19	- Bank deposit - Right to use in land and machinery	No
23.	100.00	February 9, 2021	3.55	- None	No
24.	25.02	-	-	- None	

Trade payables and other current payables

Trade payables and other current payables at the end of period from 2018 to 2020 was equivalent to 6,474.82 million baht, 4,787.54 million baht and 10,247.60 million baht, of which the details can be indicated as follows:

Statement of financial position	As at					
	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Other companies						
Trade payables	4,322.70	90.29	9,554.59	94.77	5,231.89	121.03
Other current payables	56.02	1.17	70.90	0.70	14.88	26.56
Other current payables – the Revenue Department	5.31	0.11	8.43	0.08	3.12	58.76
Interest payables	62.80	1.31	59.84	0.59	(2.95)	(4.70)
Accrued expenses	181.11	3.78	188.94	1.87	7.83	4.32
Unearned revenue	68.84	1.44	124.86	1.24	56.03	81.39
Others	2.35	0.05	3.65	0.04	1.30	55.32
Other current payables – other companies	4,699.13	98.10	10,011.21	99.30	5,312.09	113.04
Companies and related person						
Trade payables	78.13	1.63	47.75	0.47	(30.38)	(38.88)
Other current payables	10.28	0.21	21.93	0.22	11.64	113.23
Interest payables	-	-	1.37	0.01	1.37	#DIV/0!

Statement of financial position	As at					
	December 31, 2019		December 31, 2020		Increase (Decrease)	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Total Current payables - Companies and related person	90.76	1.90	71.04	0.70	(17.38)	(19.66)
Total Trade payables and Other current payables	4,787.54	100.00	10,082.25	100.00	5,294.71	110.59

Other Companies

Trade payables include trade payables for purchase of raw materials in the type of metal, trade payables for purchase of plastic, and trade payables for purchase of other materials for electric wire production, as of December 31, 2019 which was equivalent to 4,322.70 million baht or calculated as 90.29 percent of the total trade payables and other current payables, and as of December 31, 2020 which was equivalent to 9,554.59 million baht or calculated as 94.77 percent of the total trade payables and other current payables. Notwithstanding, the cause of trade payables increase was a result of the investment in TPC and DVN as a wire and cable business in Vietnam since March 31, 2020 and TCI as a wire and cable small business in Thailand since April 1, 2020 and the growth of the company's revenue and operating results.

Current payables other than the trade payables include other trade payables which are the purchase of raw materials in other types with the partners in addition to the raw materials in the type of metal, the purchase of spare parts, accrued interest, accrued expense, advance income, and etc. As of December 31, 2019 and December 31, 2020 the value was equivalent to 376.43 million baht and 456.63 million baht, respectively.

Connected Companies and Individuals

STARK has a list of trade payables and other current payables with the connected companies and individuals which is a list of the purchase list of steel wheel from Connection Lathe Services Company Limited ("CLS"), the use of transportation service of MM Logistics Company Limited ("MM"), and the purchase of rooftop solar cell panel from Industrial Construction & Maintenance Services Public Company Limited ("ICS"). In this regard, the list of trade payables and other current payables with the connected companies and individuals as of December 31, 2020 reduced by 17.38 million baht or calculated as 19.66 percent from the date as of December 31, 2019 principally due to the repayment of trade payables of the connected companies. Please see the part of connected transactions for more details.

Short-term Loan

Short-term loans from the connected companies and individuals is to receive financial assistance as capital for business expansion and working capital for the connected companies. In addition, the interest rate is

determined at 4.5 percent and 6.75 percent per annum by referring to the MLR as of the date of execution of loan agreement, which is the rate referred to the loan capital of the lender. (Please consider the conditions and details of the additional loan agreement in Part 2.3.6 Connected Transaction.) In this regard, the balance of short-term loans at the end of period from 2018 to 2020 was equivalent to 444.33 million baht, 0.00 million baht and 62.00 million baht, respectively.

Short-term loans from other entities at the end of period from 2018 to 2020 was equivalent to 675.00 million baht, 822.00 million baht and 592.16 million baht, respectively, of which the details are as follows:

Types of Borrowing	December 31, 2018			December 31, 2019			December 31, 2020		
	Interest rate % per annum	Collateral	Unit: Baht	Interest rate % per annum	Collateral	Unit: Baht	Interest rate % per annum	Collateral	Unit: Baht
Bills of exchange	4.6 – 5.0	None	420.00	4.6 – 5.0	None	570.00	5.80 - 6.50	None	424.04
Unsubordinated bond	6.0	None	255.00	6.0 – 6.50	None	252.00	6.00 - 6.75	None	168.12
		Total	<u>675.00</u>		Total	<u>822.00</u>		Total	<u>592.16</u>

Short-term loans from other entities as of December 31, 2019 increased by 147.00 million baht or calculated as 13.96 percent from the date as of December 31, 2017 as a result of the of investment in machines to encourage the operation and support the business growth of STARK in the future in the long term. In addition, other current payables as of 31 December 2020 reduced by 229.84 million baht or calculated as 27.96 percent from the date as of December 31, 2019 as a result of the repayment of promissory notes and senior bonds according to the specified period.

Accrued Corporate Income Tax

Accrued corporate income tax at the end of period from 2018 to 2020 was equivalent to 48.94 million baht, 65.80 million baht and 279.17 million baht, respectively. In this regard, the accrued corporate income tax was caused by the list of corporate income tax for each operational installation accrued by STARK to the Revenue Department as of the end date of accounting period. However, the accrued corporate income tax at the end of 2019 increased from the end of 2018, and the accrued corporate income tax at the end of 2020 increased from the end of 2019 as a result of an increase of STARK's sales, resulting in an increase of liability for corporate income tax.

Other Current Liabilities

Other current liabilities include suspended withholding tax and etc. At the end of period from 2018 to 2020, STARK had other current liabilities equivalent to 31.30 million baht, 18.56 million baht and 38.49 million baht, respectively. In this regard, the increase of other current liabilities as of December 31, 2019 in the amount of 18.56 million baht reduced 12.74 million baht or calculated as 40.70 percent from the date as of December 31, 2018 include suspended withholding tax as normal business operation of STARK.

Other current liabilities as of December 31, 2020 increased to 19.93 million Baht or calculated as 107.38 percent from the date as of December 31, 2019 which consists of investment in TPC and DVN the wire and cable business in Vietnam since March 31, 2020.

Other Non-current Liabilities

Other non-current liabilities at the end of period from 2018 to 2020 were equivalent to 24.00 million baht, 21.96 million baht and 26.45 million baht, respectively, which was in accordance with the normal business operation of STARK.

Loan from Financial Institutions

Long-term loans from financial institutions at the end of period from 2018 to 2020 were equivalent to 3,092.20 million baht, 2,069.74 million baht and 3,986.16 million baht, respectively, of which the details regarding long-term loans from financial institutions can be concluded as follows:

Statement of financial position	As at					
	December 31, 2018		December 31, 2019		December 31, 2020	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Long-term loans						
Current Portion due with 1 year	2,616.86	84.63	481.27	23.25	986.84	23.25
Non-current portion	475.33	15.37	1,588.46	76.75	2,999.32	76.75
Total borrowings from financial institutions	3,092.20	100.00	2,069.74	100.00	3,986.16	100.00

Long-term loans of December 31, 2019 reduced by 1,022.46 million baht or calculated as 33.07 percent from the date as of December 31, 2018 principally due to the repayment of long-term loans according to the specified period under the agreement. However, STARK does not have additional long-term loans from financial institutions in 2019.

Long-term loans of December 31, 2020 increased 1,916.43 million baht or calculated as 92.59 percent from the date as of December 31, 2019 principally due to the additional loan in the amount of 1,557.02 million baht with an aim to investment in TPC and DVN in Vietnam.

However, the balance of long-term loans in the part due within 1 year as of December 31, 2018 was equivalent to 2,616.86 million baht which increased by 2,141.77 million baht from the date as of December 31, 2017. In this regard, it was principally due to the subsidiary which was unable to comply with the conditions of maintenance of financial ratio as determined in the loan agreement, resulting in the categorization of all types of long-term loans to be current liabilities in the part due within 1 year. Notwithstanding, as of December 31, 2018, PDITL received the letter of exemption for compliance with conditions of maintenance of financial ratio for loans under the loan amount of 2,400.00 million baht and 1,050.00 million baht. In addition, such long-term loans will be categorized normally in the preparation of the financial statement for the next financial period. However, the bank will consider exempting the compliance with conditions of maintenance of financial ratio for the loans on a quarterly basis. The details regarding long-term loans from financial institutions can be concluded as follows:

Long-term loans from financial institutions at the end of period from December 31, 2018, December 31, 2019 and December 31, 2020

	Long-term borrowing (Unit: MB)	Interest Rate (Percentage / year)	December 31, 2018 (Unit: MB)			December 31, 2018 (Unit: MB)			December 31, 2018 (Unit: MB)			Condition	Guaranteed/Collateral
			≥1 year	> 1 year	total	≥1 year	> 1 year	total	≥1 year	> 1 year	total		
1.	280.00	MLR -1.25	54.84	191.32	246.16	55.09	138.97	194.06	55.37	83.60	138.97	- Repayment of the principal and quarterly interest rate	- Guaranteed by the company's director
2.	2,400.00	MLR -1.25	1,279.81	-	1,279.81	168.74	297.89	466.63	16989.	128.01	297.90	- Repayment of the principal and quarterly interest rate - IBD-to-Equity not exceed 1.50 - DSCR not less 1.10	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of 2 subsidiaries - Guaranteed by the related company with the company's director
3.	1,050.00	MLR -1.25	1,037.40	-	1,037.40	50.40	936.60	987.00	50.40	886.20	936.60	- Repayment of the principal and quarterly interest rate - IBD-to-Equity not exceed 1.50 - DSCR not less 1.10	- The mortgage of a subsidiary's land, structures and machinery - TAH2's share held by major shareholder - Guaranteed by the company's director
4.	134.60	3.5	134.60	-	134.60	107.68	-	107.68	80.76	-	80.76	- Repayment of the principal and quarterly interest rate - IBD-to-Equity not exceed 1 - DSCR not less 1.2	- Guaranteed by the company's director

	Long-term borrowing (Unit: MB)	Interest Rate (Percentage / year)	December 31, 2018 (Unit: MB)			December 31, 2018 (Unit: MB)			December 31, 2018 (Unit: MB)			Condition	Guaranteed/Collateral
			≥1 year	> 1 year	total	≥1 year	> 1 year	total	≥1 year	> 1 year	total		
.5	160.00	MLR -1.25	-	-	-	14.28	53.72	68.00	16.05	47.94	63.99	- Repayment of the principal and quarterly interest rate	- The mortgage of a subsidiary's land
.6	1,428.11	LIBOR+3.50	-	-	-	-	-	-	257.39	911.26	1,168.65	- Repayment of the principal and first half year interest rate - IBD-to-Equity not exceed 107.5 - DSCR not less 1.10	- The mortgage of a subsidiary's land, structures and machinery - Share certificate of 2 subsidiaries - Guaranteed by the company's director
.7	75.50	MLR -1.50	-	-	-	-	-	-	13.64	47.92	61.56	- Repayment of the principal and quarterly interest rate - IBD-to-Equity not exceed 107.5 - DSCR not less 1.10	- No
.8	326.81	MLR -1.25	-	-	-	-	-	-	65.36	261.45	326.81	- Repayment of the principal and quarterly interest rate	- No
.9	45.23	MLR -1.00	-	-	-	15.00	23.97	38.97	15.00	8.98	23.98	- Repayment of the principal and monthly interest rate	- No

	Long-term borrowing (Unit: MB)	Interest Rate (Percentage / year)	December 31, 2018 (Unit: MB)			December 31, 2018 (Unit: MB)			December 31, 2018 (Unit: MB)			Condition	Guaranteed/Collateral
			≥1 year	> 1 year	total	≥1 year	> 1 year	total	≥1 year	> 1 year	total		
10.	300.00	MLR -1	103.44	284.01	387.45	70.80	137.29	207.37	69.18	69.02	138.20	- Repayment of the principal and monthly interest rate	- A subsidiary's title deed - Guaranteed by a subsidiary's major shareholder
.11	60.00	MLR -1	6.77	-	6.77	-	-	-	-	-	-	- Repayment of the principal and monthly interest rate	- A subsidiary's title deed - Guaranteed by a subsidiary's major shareholder
.12	232.40	MLR -1.00	-	-	-	-	-	-	24.00	194.40	218.40	- Repayment of the principal and monthly interest rate	- A subsidiary's title deed and building - Guaranteed by a subsidiary's major shareholder
.13	32.50	3.50	-	-	-	-	-	-	10.82	-	10.82	- Repayment of the principal and quarterly interest rate	- No
14.	600.00	5.63	-	-	-	-	-	-	83.25	360.55	443.80	- Repayment of the principal and quarterly interest rate	- The mortgage of a subsidiary's land, structures and machinery
15.	300.00	5.50	-	-	-	-	-	-	75.72	-	75.72	- Repayment of the principal and quarterly interest rate	- The mortgage of a subsidiary's land, structures and machinery
Total			2,616.86	475.33	3,092.20	481.27	1,588.46	2,069.74	481.27	1,588.46	2,069.74		

Remark: IBD-to-Equity Ratio is the ratio of specific interest bearing debt to shareholders' equity not including Non-controlling interests

DSCR or Debt Service Coverage Ratio is Earnings before Interest, Corporate Income Tax, depreciation and deferred debt before extraordinary Items divide all interest payable and long-term loans current portion due with 1 year of accounting period

Liability under finance lease agreement

Liability under finance lease agreement at the end of period from 2018 to 2020 were equivalent to 73.91 million baht, 56.91 million baht and 233.59 million baht, respectively, of which the details regarding from financial institutions can be concluded as follows:

Statement of financial position	As at					
	December 31, 2018		December 31, 2019		December 31, 2020	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Liability under finance lease agreement						
Current Portion due with 1 year	17.00	23.00	17.77	31.23	74.39	31.85
Non-current portion	56.91	77.00	39.13	68.77	159.20	68.15
Total	73.91	100.00	56.91	100.00	233.59	100.00

Liability under finance lease agreement at the end as of December 31, 2019 decrease of 17.00 million baht or 23.00 percentage from at the end as of December 31, 2018 mainly due to the repayment of the liabilities under the financial lease according to the schedule.

In addition, liability under finance lease agreement at the end as of December 31, 2020 increase of 176.69 million baht or 310.53 percentage from at the end as of December 31, 2019 mainly due to the th company used TFRS 16 since January 1, 2020 by cumulative impact from TFRS 16 adjusted entry and early retained earning and not modified retrospective, the effect from TFRS 16 in liability under finance lease agreement as of January 1, 2020 and decrease some part from the repayment of the liabilities under the financial lease according to the schedule.

Other long-term borrowings

Other long-term borrowings at the end of period from 2018 to 2020 were equivalent to 215.00 million baht, 345.00 million baht and 375.00 million baht, respectively, of which the details regarding long-term loans from financial institutions can be concluded as follows:

Statement of financial position	As at					
	December 31, 2018		December 31, 2019		December 31, 2020	
	Unit: MB	Percentage	Unit: MB	Percentage	Unit: MB	Percentage
Bills of Exchanges						
Current Portion due with 1 year	30.00	13.95	185.00	53.62	70.00	18.67
Non-current portion	185.00	86.05	160.00	46.38	305.00	81.33
Total	215.00	100.00	345.00	100.00	375.00	100.00

Other long-term borrowings as of December 31, 2019 and December 31, 2020 will due to pay by December 2020 , and October 2021, respectively.

Other non-current assets as of December 31, 2019 increased to 130 million baht from the date as of December 31, 2018 due to STARK issued a senior Bond for working capital management in 2019 with percentage interest rate 5.50 – 6.75 and payment due date in year 2020

Other non-current assets as of December 31, 2020 increased to 30 million baht from the date as of December 31, 2019 due to STARK issued a senior Bond for working capital management in 2020 with percentage interest rate 5.50 – 6.75 and payment due date in year 2021

14.4.1 Debt and Contingent Liabilities

At the End of December 31, 2020, STARK has a Debt and Contingent Liabilities as follows:

The employee benefits reserve

STARK has employee benefits reserve from the date as of December 2018 to 2020 was equivalent to 113.70 million baht and 178.96 million baht respectively.

Financial Obligation & guarantee

1. Financial Obligation

2019 STARK has a Financial Obligation about raw materials purchase and machines, of which the details regarding can be concluded as follows:

Consolidated financial statements								
2020								
	Baht	US Dollar	Euro	Dollar Australian	Swiss franc	Yuan Renminbi	Pound Sterling	Dong Vietnam
Procurement of raw materials	442,391,849	369,581,505	35,180	300	750	1,218,422	3,878	862,462,554,044
Procurement of machines	103,837,173	1,127,264	540,797	-	-	-	-	31,596,845,228
Total	546,229,022	370,708,769	575,977	300	750	1,218,422	3,878	894,059,399,272

Consolidated financial statements								
2019								
	Baht	US Dollar	Euro	Dollar Australian	Swiss Franc	Yuan Renminbi	Pond Sterling	Dong
Procurement of raw materials	459,667,036	45,786,927	85,011	300	2,250	1,696,672	1,431	-
Procurement of machines	176,050,025	1,497,906	6,707,696	-	-	-	-	-
Total	635,717,061	47,284,833	6,792,707	300	2,250	1,696,672	1,431	-

Remark: 1. The purchase list of raw materials which is categorized as an obligation is the purchase list of metal raw material in the type of copper from the partners, where the purchase orders and Letter of Credit (L/C) are issued by PDITL but the products have not been received

2. Financial guarantee

As of December 31, 2019 to December 31, 2020 STARK has a bank guarantee issued by subsidiary company Which are related to normal business practices and electricity usage of subsidiaries and others, of which the details regarding can be concluded as follows:

	Consolidated financial statements					
	2020					
	Baht	US Dollar	India Rupee	Dollar Hongkong	Srilanka Rupee	Dong Vietnam
Letters of guarantee for contractual performance without collateral	514,040,295	5,001,675	3,471,468	7,000,000	-	-
Letters of guarantee for electricity usage without collateral	130,885,367	490,559	-	-	-	-
Letters of guarantee for electricity usage with collateral	485,400	-	-	-	-	-
Letters of guarantee for rendering services with collateral *	9,420,000	30,000	-	-	-	-
Letters of guarantee for product warranty card	-	357,109	-	-	-	114,047,923,560
Letters of guarantee for bidding	-	-	-	-	-	33,371,369,125
Letters of guarantee for deposit	-	2,079,468	-	-	-	150,330,508,187
Letters of guarantee for processing agreement	-	19,492	-	-	-	55,577,810,922
Letters of guarantee for processing Agreement and product warranty card	-	-	-	-	-	42,654,000
Letters of guarantee for payment	-	-	-	-	-	745,186,666

	Consolidated financial statements				
	2019				
	Baht	US Dollar	India Rupee	Dollar Hongkong	Srilanka Rupee
Letters of guarantee for contractual performance without collateral	621,258,304	1,968,211	3,471,468	-	-

Letters of guarantee for electricity usage with collateral [*]	-	-	63,209,135	-	
Letters of guarantee for electricity usage without collateral	458,030,884	57,844	-	7,000,000	1,300,000
Letters of guarantee for electricity usage with collateral [*]	1,139,000	-	-	-	-
Letters of guarantee for service with collatera [*]	7,400,475	30,000	-	-	-

* As of December 31, 2020 and 2019 savings bank seposit of a subsidiary company amount of 2.09 million baht and 39.07 million baht respectively, as a collateral for the bank to issue a letter of guarantee for a contract.

3. Limit for Letter of Credit, Trustee Sheet and Money Transfer

As of December 31, 2018 the subsidiary had such limit in the amount of 16.10 million USD and 306.48 million baht. The collatera of such limit includes land, structure and machine of the subsidiary.

As of December 31, 2019 the subsidiary had such limit in the amount of 46.63 million USD and 3,126.03 million baht with the same collateral as the limit that has not been used as of December 31, 2018.

As of December 31, 2020 the subsidiary had such limit in the amount of 50.72 million USD, 2,006.84 million baht and 777,969.16 Million Vietnam Dong with the same collateral as the limit that has not been used as of December 31, 2019.

4. Credit Limit and guarantee

As of December 31, 2018 the Company had the limit of oil credit card in the amount of 1 million baht and spent 0.11 million baht, where the Company registered the mortgage of real estate for investment and land with structure. In addition, the Company's ordinary shares held by 2 directors were used for placing a security of credit limit from financial institutions and guaranteed by the Company's directors. During the year ended December 31, 2019 the Company cancelled the limit of oil credit card and released the mortgage of security and suretyship.

14.4.2 Shareholders' Equity

STARK's shareholders' equity at the end of period from 2018 to 2020 was equivalent to 1,817.64 million baht, 3,763.72 million Baht, respectively.

Shareholders' equity as of December 31, 2019 increased by 495.73 million baht or calculated as 27.27 percent from the date as of December 31, 2018 principally due to the net profit according to the normal operation and as a result of the business combination, STARK has a registered capital of 14,049.56 million baht and a low

equity value of ordinary shares and capital adjustments from the reverse business acquisition of 12,253.32 million baht, representing an increase in shareholders' equity. Net shares equal to 1,796.24 million baht.

Shareholders' equity as of December 31, 2020 increased by 1,450.35 million baht or calculated as 62.69 percent from the date as of December 31, 2019 principally due to the net profit according to STARK's normal operation.

14.5 Liquidity

STARK had a liquidity ratio equivalent to 0.95 times, 0.83 times and 1.07 times at the end of period from 2018 to 2020, respectively.

14.5.1 Cash Flow from Operational Activities

Net cash flow obtained from the operational activities in the period from 2018 to 2020 was equivalent to 544.63 million baht, 103.81 million baht, and 3,003.56 million baht, respectively.

STARK has net cash flow obtained from the operational activities in the period of 2019 equivalent to 103.81 million baht which decreased from the same period in 2018, principally due to the Company's expense from status purchase of registered company, resulting in more decrease of STARK's cash flow.

STARK had net cash flow obtained from the operational activities in the period of 2020 equivalent to 3,003.56 million baht which increased in 2019, principally due to STARK's performance with profit and added back non-cash transaction, such as depreciation and write-off, as well as the change of assets and liabilities in the operation. While the demand of working capital was similar to that in 2019, therefore has net cash flow obtained from operational activities which increased from the previous year.

14.5.2 Cash Flow from Investment Activities

Net cash flow spent in investment activities in the period from 2018 to 2020 was equivalent to 816.94 million baht, 620.13 million baht and 6,531.81 million baht, respectively.

STARK had net cash flow spent in investment activities equivalent to 816.94 million baht in the period of 2018, principally due to investment in machine to encourage the operation and support the business growth in the future, as well as the installation of solar cell panel to save energy and reduce expense of STARK in the long term.

STARK has net cash flow spent in investment activities equivalent to 620.13 million baht in the period of 2019, principally due to the purchase of additional fixed assets which was investment in new machines according to the production line improvement plan and categorized as PDITL's assets pending for installation.

STARK has net cash flow spent in investment activities equivalent to 6,531.81 million baht in the period of 2020, principally due to the purchase of additional fixed assets and investment in TPC & DVN and the loans for the connected companies. (Please consider the conditions and details of the additional loan agreement in Part 2.3.6 Connected Transaction.)

14.5.3 Cash Flow from Funding Activities

Net cash flow from funding activities in the period from 2018 to 2020 was equivalent to 327.17 million baht, 1,292.36 million baht and 3,272.85 million baht, respectively. It was caused by an increase of the cash receipt from loans by STARK from financial institutions, connected companies and individuals, and other sources, such as senior bonds, to support the money spending pursuant to the investment plan, including investment for purchase of fixed assets in the type of machine to improve and enhance the production capacity, installation of solar cell panel with an aim to save energy and reduce expense, investment for purchase of High Voltage Mobile Testing Unit, and support the repayment of loans pursuant to the payment plan in each accounting period and investment in TPC & DVN.

In 2018, STARK had net cash flow from funding activities equivalent to 327.17 million baht which was caused by the payment of short-term loans of the connected companies and individuals, and the long-term loans from financial institutions according to the installment schedule as indicated in the agreement.

In 2019, STARK had net cash flow from funding activities equivalent to 1,292.36 million baht which was caused by an increase of capital.

In 2020, STARK had net cash flow from funding activities equivalent to 3,272.85 million baht which was caused by short – term loans of the connected companies and the long-term loans from financial institutions according to investment in TPC & DVN.

14.6 Analysis of Significant Financial Ratio

14.6.1 Liquidity Ratio

STARK had a liquidity ratio equivalent to 0.83 times, 1.07 times and 0.83 times at the end of period from 2018 to 2020, respectively.

The liquidity ratio as of December 31, 2018 reduced from the date as of December 31, 2017. Principally, it was caused by partial long-term loans of STARK under the loan amount of 2,400.00 million baht and 1,050.00 million baht which was categorized as current liabilities, since the subsidiary was unable to comply with the conditions of maintenance of financial ratio as determined in the loan agreement. However, as of December 31, 2018 STARK received the letter of exemption for compliance with conditions of maintenance of financial ratio for such loan and will be categorized normally in the preparation of the financial statement for the next financial period.

Upon consideration of the liquidity ratio as of December 31, 2018 by adjusting the list of the current liabilities under the limit of 2,400.00 million baht and 1,050.00 million baht to normal non-current liabilities, STARK will have a liquidity ratio in 2018 equivalent to 1.09 times which is better than that in 2017 due to the growth of STARK's performance in 2018.

The liquidity ratio as of December 31, 2019 was similar to the liquidity ratio as of 31 December 2018 in the case where the list of the current liabilities under the limit of 2,400.00 million baht and 1,050.00 million baht was adjusted to normal non-current liabilities, which was in accordance with the normal operation of STARK.

The liquidity ratio as of December 31, 2020 was similar to the liquidity ratio as of 31 December 2019 in the case where the list of the current liabilities under the limit of 2,400.00 million baht and 1,050.00 million baht was adjusted to normal non-current liabilities, which was in accordance with the normal operation of STARK.

STARK had an average period of debt collection equivalent to 149.34 days, 108.19 days and 87.14 million baht in the period from 2018 to 2020, respectively. Generally, STARK had a credit term with the customer for an approximate period of 60 - 90 days. However, during such period, STARK conducted sales to the connected companies (please consider the conditions and details of the additional loan agreement in Part 2.3.6 Connected Transaction), by having the debt repayment period equivalent to 270 days. As a result, an average period of STARK's debt collection increased from the normal period of debt collection.

The average period of STARK's debt collection for the fiscal year ended December 31, 2018 slightly increased from the same period in 2017, principally due to an increase of minor customers as a result of the concentration on expanding the group of customers and distribution channels of STARK which was in line with an increase of sales in this type of product in 2018.

The average period of STARK's debt collection for the fiscal year ended December 31, 2019 reduced from that in 2018, since STARK changed the credit term of the previous year for better liquidity of the Company.

The average period of STARK's debt collection for the fiscal year ended December 31, 2020 reduced from that in 2019, since STARK changed the credit term of the previous year for better liquidity of the Company.

The average period of product sales in the period from 2018 to 2020 was equivalent to 119.45 days, 142.10 days and 160.11 days, respectively. In this regard, the average period of product sales in the period from 2018 to 2020 gradually increased, since STARK changed the production policy by adding the amount of production made to stock to support the demand of the group of minor customers in the mass market. Furthermore, the increase of the average period of product sales was caused by the increase of inventory due to the increase of production to support the growth of STARK's sales revenue.

The average period of debt repayment in the period from 2018 to 2020 was equivalent to 224.88 days, 170.60 days and 181.74 days, respectively. In this regard, the average period of debt repayment in such period gradually increased as a result of the rapid growth and increase of sales revenue. Accordingly, STARK therefore purchased more raw materials in the type of copper in a high proportion. In addition, such raw materials have a debt repayment period (credit term) equivalent to 270 days, which is longer than the debt repayment period received by STARK from other suppliers in 2020. As it was due for payment in 2019, the debt repayment period reduced.

14.6.2 Profitability Ratio

STARK had net profit in the period from 2018 to 2020 equivalent to 3.51 percent, 4.37 percent and 2.06 percent, and 9.23 percent, respectively.

STARK's net profit rate for the fiscal year ended December 31, 2018 increased from the same period in 2017, principally due to an increase of STARK's profitability.

STARK's net profit rate for the year ended December 31, 2019 reduced from the same period in 2018, principally due to the cost of reverse takeover in the amount of 162.45 million baht. If the net profit from STARK's operation is considered by excluding such cost of reverse takeover, it is found that STARK had a net profit in 2019 equivalent to 420.05 million baht, which reduced from 2018 in the amount of 105.12 million baht or calculated as 20.02 percent. It was principally due to the improvement of several costs from the restructuring, such as financial consultant's fee, legal consultant's fee, and etc., in an approximate amount of 62.50 million baht, and was a single expense from this restructuring only. On August 15, 2019, the Company sold the media and multimedia business, and acknowledged the loss from the operation of such business in 2019, including concerning expenses in the restructuring, in an approximate total amount of 204.35 million baht.

STARK's net profit rate for the year ended December 31, 2020 increased from the same period in 2019, principally due to the increased profitability by strategy to focus on high margin products, especially the medium-to-high-voltage cable to support various projects of the public and private sectors. In addition, the company has continuously implemented a plan to reduce costs and expenses (Lean management).

STARK's return on equity rate in the period from 2018 to 2020 was equivalent to 29.10 percent, 11.71 percent and 43.65 percent, respectively.

STARK's return on equity rate for the fiscal year ended December 31, 2018 increased from the same period in 2017, principally due to an increase of STARK's profitability.

STARK's return on equity rate for the fiscal year ended December 31, 2019 reduced from the same period in 2018, principally due to the cost of reverse takeover in the amount of 162.45 million baht.

STARK's return on equity rate for the fiscal year ended December 31, 2020 increased from the same period in 2019, principally due to an increase of STARK's profitability.

14.6.4 Operational Efficiency Ratio

STARK's return on assets at the end of period from 2018 to 2020 was equivalent to 4.10 percent, 1.83 percent and 8.10 percent, respectively.

STARK's return on assets as of December 31, 2018 increased from the date as of December 31, 2017, principally due to an increase of STARK's profitability.

STARK's return on assets as of December 31, 2019 reduced from the date as of December 31, 2018, principally due to the cost of reverse takeover in the amount of 162.45 million bah

STARK's return on assets as of December 31, 2020 increased from the date as of December 31, 2019, principally due to an increase of STARK's profitability.

STARK's return on fixed assets at the end of period from 2018 to 2020 was equivalent to 27.17 percent, 15.40 percent and 54.53 percent, respectively.

STARK's return on fixed assets as of December 31, 2018 increased from the date as of December 31, 2017, principally due to an increase of STARK's profitability.

STARK's return on fixed assets as of December 31, 2019 reduced from the date as of December 31, 2018 principally due to the cost of reverse takeover in the amount of 162.45 million baht.

STARK's return on fixed assets as of December 31, 2020 increased from the date as of December 31, 2019, principally due to an increase of STARK's profitability.

14.7 Main Factors and Influence Potentially Affecting the Operation and Financial Status in the Future

1. Government Sector's National Development Plan and Investment Policy

Since PDTIL is an entrepreneur with expertise and technology for electric wire production which is suitable for usage in infrastructure projects of the country, such as bare wire, high voltage electric wire, medium voltage electric wire, and etc., the government sector's investment policy in the future directly affects PDTIL's operation. In addition, the examples of the government sector's significant policies include National Economic and Social Development Plan, Thailand Power Development Plan (PDP), and etc. In this regard, the examples of the national development plan pursuant to the government sector's policies that potentially affect PDTIL's operation in the future are as follows:

- Thailand Power Development Plan (PDP) is the master plan of the supply of electric energy of Thailand in the long term for 15 - 20 years to build stability and sufficiency for the demand of electricity that covers electricity generating system, electricity transmission system and electricity distribution system in each area to support the National Economic and Social Development Plan overall. Additionally, the concentration of the expansion of such production capacity occurred in parts of investment of Provincial Electricity Authority (PEA) and the support of investment in power plants for the private sector, including Independent Power Producer (IPP), Small Power Producer (SPP), and Very Small Power Producer (VSPP), all of which are the group of target customers of PDTIL.
- Government sector's infrastructure project investment plan, such as the development of electric railway according to the mass transit system network development plan in Bangkok Metropolis and perimeter pursuant to the 2nd Blueprint for Bangkok Mass Rapid Transit Master Plan (Consecutive Area) (M-MAP 2)¹ for a period of 20 years (2010 – 2029), construction plan pursuant to Double-track Electric Railway Project, construction plan pursuant to High-Speed Rail Linked 3 Airport Project, as well as investment in construction of highways throughout the country.
- Change of Air Electric Wire to Underground Electric Wire System Project (MEA) to build stability for the electricity system which commenced in 2018 and scheduled to be completed in 2021 with a total distance of the project¹ at 214.6 kilometers. In this regard, it is a project for the inner urban area, along the electric railway route, and in cooperation with other public utility authorities.

2. Fluctuation of Conductive Metal Price

Since the metal in the type of copper and aluminum is considered as the main raw material that is important in PDTIL's production, the cost of metal is calculated as the proportion of 65 to 70 percent of the sales cost. Moreover, since such raw material is a commodity with market price based on the London Metal Exchange which increases and decreases according to the demand and supply principle, the fluctuations of such raw material price potentially affects PDTIL's sales cost to significantly increase or decrease, and may have an impact on its turnover in the future.

3. Expansion of Distribution Channels for Oversea Market

PDTIL has a plan to expand the distribution channels to more countries from the present with a revenue proportion at approximately 10 percent of the sales revenues. However, in the event that the overseas sales revenue increases in the future, it will cause PDTIL to obtain more income in foreign currency which is beneficial to PDTIL in terms of reduction of the risk from exchange rate fluctuation (Natural Hedge), increase of revenue, and decrease of expense relating to the exchange rate. As a result, PDTIL's profit rate and performance may increase in the future.

4. Future growth strategy

The Company is focus on high margin product such as Medium / High / Extra High voltage cable which has continued growth in demand and cables for solar power generation systems (Photovoltaic cable) that received world – class standards. As well as the development of submarine cables that are increasingly demanding from renewable energy projects such as wind turbines to generate electricity installed in the sea (Offshore wind turbine) Solar panels on structures that are floating in water (Floating solar), etc. Continuously reducing costs and increasing the productivity of factories in Thailand and Vietnam.

Opportunities in the international market in 2020, the Company accounts for 8.0% of export revenues from approximately 40 countries of exports, with the Company expecting the proportion of export revenue to increase to approximately 10-12% from exports to about 50 countries.

List of Company's Executives and Controlling Persons in Subsidiary Company (main business) as at December 31, 2019

Name	Company	Subsidiary Company				
		Phelps Dodge International (Thailand) Limited	Thai Cable International Co., Ltd.	Thinh Phat Cables Join Stock Company	Dong Viet Non-Ferrous Metal and Plastic Join Stock Company	Adisorn Songkhla Co., Ltd.
Mr. Chanin Yensudchai	C	C	C	C	C	
Mr. Vonnarat Tangkaravakoon	D	D				
Mr. Chinawat Assavapokee	D	D				
Mr. Sathar Chantrasettalead	D, E	D, E	E	E	E	D
Dr. Songpope Polachan	AC	AC				
M.L. Peputtchai Benyabadhana	AC	AC				
Mr. Kusol Sangkananta	AC	AC				
Mr. Nirouth Jeakvathanyoo	D	D, CE	D	E	E	
Mr. Prakom Makjumroen	CE	D		E	E	
Mr. Kittisak Jitprasertngam	E	CE		E	E	
Mr. Seree Yootanawaraporn		D, E		E	E	
Mr. Phichet Lochanachit	E	E		E	E	

Remark: C = Chairman

ID = Independent Director

AC = Audit Committee

D = Director

CE = Chief Executive Officer

E = Executive

Positions of Directors in Other Companies as at December 31, 2019

Company	Directors	Mr. Chanin Yensudchai	Mr. Vonnarat Tangkaravakoon	Mr. Chinawat Assavapokee	Mr. Sathar Chantrasettalead	Dr. Songpope Polachan	M.L. Peputtchai Benyabadhan	Mr. Kusol Sangkananta	Mr. Nirouth Jeakvathanyoo
1. Phelps Dodge International (Thailand) Limited	C	D	D	D, E	ID, AC	ID, AC	ID, AC	D, E	
2. Stark Corporation Public Co., Ltd.	C	D	D	D	D	D	D	D	
3. PDL Trading Co., Ltd.	C	D	D	D, E				D, E	
4. Thai Cable International Co., Ltd.	C	D	D	D, E				D, E	
5. N M N Holding 2 Co., Ltd.	C	D	D	D, E				D, E	
6. Sherwood Corporation (Thailand) Public Co., Ltd.	C, ID, AC	D	ID, AC						
7. Connection Lathe Services Co., Ltd.	D	D							
8. Thai Copper Rod Co., Ltd.	D							D	
9. Nous Coffee Co., Ltd.							D		
10. Kin Sen Coffee Fresh Co., Ltd.							D		
11. Global Consumer Public Co., Ltd.							D		
12. Confratres Co., Ltd.						D			

Company	Directors	Mr. Chanin Yensudchai	Mr. Vonnarat Tangkaravakoon	Mr. Chinawat Assavapokee	Mr. Sathar Chantrasettalead	Dr. Songpope Polachan	M.L. Peputtchai Benyabadhan	Mr. Kusol Sangkananta	Mr. Nirouth Jeakvathanyoo
13. JKJP & Associates Co., Ltd								D	
14. Shield Squad Co., Ltd					D				
15. Superpack Plastic Co., Ltd.					D				
16. The Master Real Estate								D	
17. Sabsin Business Holding Co., Ltd.			D						
18. Taweessap Real Estate Co., Ltd.			D						
19. T.C.K. Solaris Co., Ltd.					D				
20. T.C.K. Plastic Co., Ltd.					D				
21. T.C.K. Interplast Co., Ltd					D				
22. TTD Holding Co., Ltd.			D						
23. Teepol Professional International Co., Ltd.			D						
24. Team A Holding Co., Ltd.			D						
25. Team A Holding 3 Co., Ltd.			D						
26. T.S.O. Trade Center Co., Ltd.			D						
27. TOA Co., Ltd.			D						

Company	Directors	Mr. Chanin Yensudchai	Mr. Vonnarat Tangkaravakoon	Mr. Chinawat Assavapokee	Mr. Sathar Chantrasettalead	Dr. Songpope Polachan	M.L. Peputtchai Benyabadhan	Mr. Kusol Sangkananta	Mr. Nirouth Jeakvathanyoo
28. TOA Group Holding Co., Ltd.			D						
29. TOA Chemical Industries Co., Ltd.			D						
30. TOA Paint (Thailand) Public Co., Ltd.			D						
31. TOA Venture Holding Co., Ltd.			D						
32. TOA Auto Sales Co., Ltd.			D						
33. TOA International Beverages Group Co., Ltd.			D						
34. TOA Holding Co., Ltd.			D						
35. Thai Saeng Chareon Co., Ltd.			D						
36. Nawang Agriculture Co., Ltd.			D						
37. Erawan Sugar Co., Ltd.			D						
38. Natural Park Property Co., Ltd.			D						
39. British Paints Co., Ltd.			D						
40. Mahanakorn Asset Management Co., Ltd.							D		

Company	Directors	Mr. Chanin Yensudchai	Mr. Vonnarat Tangkaravakoon	Mr. Chinawat Assavapokee	Mr. Sathar Chantrasettalead	Dr. Songpope Polachan	M.L. Peputtchai Benyabadhan	Mr. Kusol Sangkananta	Mr. Nirouth Jeakvathanyoo
41. AAMC Asset Management Co., Ltd.								D	
42. Bangthongsaman Agriculture Co., Ltd.			D						
43. Bangpakok Agriculture Co., Ltd.			D						
44. Bangyai Dinthong Co., Ltd.			D						
45. Best Autosales Co., Ltd.			D						
46. Propet (Thailand) Co., Ltd.					D				
47. P T Real Estate Co., Ltd.			D						
48. Poonpholsap Co., Ltd.			D						
49. Poonsinsap Business Co., Ltd.			D						
50. Poonsinsap Real Estate Co., Ltd.			D						
51. Primus Autohaus Co., Ltd.			D						
52. Food Holding Co., Ltd.								D	
53. Mahanakorn Advisory Services Co., Ltd.							D		
54. Millionaire Co., Ltd.			D						

Company	Directors	Mr. Chanin Yensudchai	Mr. Vonnarat Tangkaravakoon	Mr. Chinawat Assavapokee	Mr. Sathar Chantrasettalead	Dr. Songpope Polachan	M.L. Peputtchai Benyabadhan	Mr. Kusol Sangkananta	Mr. Nirouth Jeakvathanyoo
55. Mangkang Trading Co., Ltd.			D						
56. Mangkang Business Co., Ltd.			D						
57. Mangkang Property Co., Ltd.			D						
58. Mangkang Real Estate Co., Ltd.			D						
59. Metropolis Shipping Co., Ltd.					D				
60. Max Metal Corporation Public Co., Ltd.								D	
61. Unique Chalet Realty Co., Ltd.								D	
62. Royal Resort Golf & Country Club Co., Ltd.			D						
63. Royal International Resort & Country Club Co., Ltd.			D						
64. Rayong Polymers Corporation Limited			D						
65. Right Tunnelling Public Co., Ltd.						C			
66. Erawan Farm Co., Ltd.			D						
67. Lad Swai Agriculture Co., Ltd.			D						
68. V. Pattarawooth (1987) Limited			D						

Company	Directors	Mr. Chanin Yensudchai	Mr. Vonnarat Tangkaravakoon	Mr. Chinawat Assavapokee	Mr. Sathar Chantrasettalead	Dr. Songpope Polachan	M.L. Peputtchai Benyabadhan	Mr. Kusol Sangkananta	Mr. Nirouth Jeakvathanyoo
69. Wow Factor Public Co., Ltd.								D	
70. V.A.C. Consulting Co., Ltd.					D				
71. 360Co., Ltd.							D		
72. Sinsap Real Estate Co., Ltd.			D						
73. Surasak Agriculture Co., Ltd.			D						
74. Adisorn Songkhla Co., Ltd.					D, E				
75. Adisorn Songkhla Professional Co., Ltd.					D				
76. Adisorn Songkhla Marine Co., Ltd.					D				
77. Adisorn Songkhla International Co., Ltd.					D				
78. R H R Co., Ltd.			D						
79. Industrial Construction & Maintenance Services Public Co., Ltd.					D				
80. Ekamai Charoensuk Holding Co., Ltd.			D						

Company	Directors	Mr. Chanin Yensudchai	Mr. Vonnarat Tangkaravakoon	Mr. Chinawat Assavapokee	Mr. Sathar Chantrasettalead	Dr. Songpope Polachan	M.L. Peputtchai Benyabadhan	Mr. Kusol Sangkananta	Mr. Nirouth Jeakvathanyoo
81. HNC Power Co., Ltd.								D	
82. Asia Pacific Drilling Engineering Co., Ltd.					D				
83. ADS Logistics Co., Ltd.			D						
84. N.E. Bio Energy Co., Ltd.			D						
85. N.E. Logistics Co., Ltd.			D						
86. MM Catering Co., Ltd.					D				
87. MM Carrier Co., Ltd.					D				
88. MM Freight Forwarding Co., Ltd.					D				
89. MM Logistics Co., Ltd.					D				
90. MML Transport Co., Ltd.					D				
91. Erawan Power Co., Ltd.			D						
92. Erawan Holding Co., Ltd.			D						
93. SPT Park Co., Ltd.								D	
94. SPT Land Co., Ltd.								D	
95. LT & Son Co., Ltd.			D						

Company	Directors	Mr. Chanin Yensudchai	Mr. Vonnarat Tangkaravakoon	Mr. Chinawat Assavapokee	Mr. Sathar Chantrasettalead	Dr. Songpope Polachan	M.L. Peputtchai Benyabadhan	Mr. Kusol Sangkananta	Mr. Nirouth Jeakvathanyoo
96. Ocean Commerce Public Co., Ltd.								D	
97. ITOA Auto Sales Co., Ltd.			D						
98. Hokkaido Food and Beverage Co., Ltd.			D						
99. Hokkaido Morimoto Co., Ltd.			D						
100. Hokkaido International Franchise Co., Ltd.			D						
101. Stark Investment Corporation Limited		D	D	D					
102. TOA Paints (Vietnam) Co., Ltd.			D						
103. TOA Paint Products Sdn. Bhd.			D						
104. TOA Coating Sdn. Bhd.			D						

Remark: C = Chairman
D = Director

ID = Independent Director
E = Executive

AC = Audit Committee

Information of Asset Appraisal for Company and Subsidiaries as of 2020

Phelps Dodge International (Thailand) Limited ("PDITL")

For the year 2020, PDITL has appraised the value of assets as detail follows:

1.	Types of Asset	:	Constructional drawings reinforced concrete (Khleng Bang Ruean cross bridge)
	Asset Location	:	Moo.10 Bang Pla,, Bang Phi, Samut Prakan
	Title Deed	:	No. 3916, 35060 <i>Total land area</i> 140 square meters
	A titleholder	:	Phelps Dodge International (Thailand) Limited
	Assessor	:	First Star Consultant Company Limited
	Appraisal Objectives	:	Valuations considerations for credit
	Appraisal Method	:	Depreciated Replacement Cost
	Market Value	:	2,940,000 Baht
	Appraisal Date	:	20 May 2020

2.	Types of Asset	:	2 Machines
	Asset Location	:	159 Moo.10 Thepharak Road, Bang Pla,, Bang Phi, Samut Prakan
	Title Deed	:	Double Twist Buncher and Tinning Machine
	A titleholder	:	Phelps Dodge International (Thailand) Limited
	Assessor	:	First Star Consultant Company Limited
	Appraisal Objectives	:	Valuations considerations for credit
	Appraisal Method	:	Depreciated Replacement Cost
	Market Value	:	10,166,000 Baht
	Appraisal Date	:	7 August 2020

3.	Types of Asset	:	1 Machine
	Asset Location	:	99 Moo.4 Banlang - Nongbon Road, Nikhom Phatthana, Nikom Phatthana, Rayong

Asset List	:	Automatic Coiling Machine
A Titleholder	:	Phelps Dodge International (Thailand) Limited
Assessor	:	First Star Consultant Company Limited
Appraisal Objectives	:	Valuations considerations for credit
Appraisal Method	:	Depreciated Replacement Cost
Market Value	:	5,327,000 Baht
Appraisal Date	:	7 August 2020

**Thinh Phat Cables Joint Stock Company (“Thipa Cables”) and
 Dong Viet Non-Ferrous Metal And Plastic Joint Stock Company (“Dovina”)**

For the year 2020, Thipa Cables & Dovina has appraised the value of assets as detail follows:

1.	Types of Asset	:	Land, Building & Other Improvement and Machinery & Equipment, Forklift, Vehicle and High Voltage Tester
	Asset Location	:	Provincial Road No. 830, Luong Binh Commune, Ben Luc District, Long An Province, Vietnam
	Title Deed & Asset List	:	Land area 170,219.47 square meters Building & Other Improvement 21 items Machinery & Equipment, Forklift, Vehicle and High Voltage Tester 199 items
	A titleholder	:	Thinh Phat Cables Joint Stock Company (“Thipa Cables”) and Dong Viet Non-Ferrous Metal And Plastic Joint Stock Company (“Dovina”)
	Assessor	:	Knight Frank Chartered (Thailand) Company Limited
	Appraisal Objectives	:	Valuations for Public Purposes
	Appraisal Method	:	Cost and comparative approach
	Market Value	:	US\$ 53,050,000
	Appraisal Date	:	7 February 2020

Thai Cable International Company Limited ("TCI")

For the year 2020, TCI has appraised the value of assets as detail follows:

1.	Types of Asset	:	Land with Structure
	Asset Location	:	227 Moo.4 Phetkasem 97, Phetkasem (Thor Lor 4) Om Noi sub district, Krathum Baen district, Samut Sakhon
	Title Deed	:	No. 23788,24407,51331,51559, 56433-56435, 56458 และ 56459 9 Title Deeds Total land area 7,488.0 square wah
	A titleholder	:	Green Electric Cable (Thailand) Company Limited
	Assessor	:	Asian Engineering Valuation Company Limited
	Appraisal Objectives	:	Valuations for Public Purposes
	Appraisal Method	:	Cost approach
	Market Value	:	351,517,000 Baht
	Appraisal Date	:	7 January 2020

2.	Types of Asset	:	Land with 1 Dormitory Building
	Asset Location	:	24/26 Moo 4. Phetkasem 97, Phetkasem (Thor Lor 4) Om Noi sub district, Krathum Baen district, Samut Sakhon
	<i>Title Deed</i>	:	No. 21289, 23888 and 23889 3 Title Deeds Total land area 200.0 square wah
	A titleholder	:	Green Electric Cable (Thailand) Company Limited
	Assessor	:	Asian Engineering Valuation Company Limited
	Appraisal Objectives	:	Valuations for Public Purposes
	Appraisal Method	:	Cost approach
	Market Value	:	9,450,000 Baht
	Appraisal Date	:	6 January 2020

3.	Types of Asset	:	Wasteland
	Asset Location	:	227 Moo.4 Phetkasem 97, Phetkasem (Thor Lor 4) Om Noi sub district, Krathum Baen district, Samut Sakhon
	Title Deed	:	No. 19366, 56450, 56451, 56453,13200,13201,56455 and 564633 8 Title Deeds <i>Total land area 1,200.0 square wah</i>
	A titleholder	:	Green Electric Cable (Thailand) Company Limited
	Assessor	:	Asian Engineering Valuation Company Limited
	Appraisal Objectives	:	Valuations for Public Purposes
	Appraisal Method	:	Market comparative approach
	Market Value	:	12,600,000 Baht
	Appraisal Date	:	6 January 2020

4.	Types of Asset	:	Machines
	Asset Location	:	227 Moo.4 Om Noi sub district, Krathum Baen district, Samut Sakhon
	Asset List	:	Total 177 items
	A titleholder	:	Thai Cable International Company Limited
	Assessor	:	First Star Consultant Company Limited
	Appraisal Objectives	:	Valuations for Public Purposes
	Appraisal Method	:	Cost approach
	Market Value	:	219,576,700 Baht
	Appraisal Date	:	6 January 2020

Adisorn Songkhla Company Limited (“ADS”)

For the year 2020, ADS has appraised the value of assets as detail follows:

- None -